



## Submission to the Ministry for Primary Industries

### Regulating Organic Businesses in the Primary Sector

18<sup>th</sup> June 2021

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1. Seafood New Zealand Limited welcomes the opportunity to submit on the Regulating the organic businesses in the Primary Sector – approving businesses and checking compliance with organic standards (the Consultation Document).
  2. Seafood New Zealand is a professional organisation delivering industry-good services for the wider benefit of the seafood industry, an industry which had an annual export earnings of \$1.8 billion in 2020. Seafood New Zealand plays a leading role in developing and presenting the seafood industry's response on legislative and regulatory proposals affecting the industry.

#### General Comments:

3. The New Zealand seafood industry is supportive of Government's efforts to implement an organics standard as we believe that it will add value to the food and beverage industry whilst ensuring that consumers domestically and internationally will be reassured of the quality of organic food that they consume.
4. The organic standards and associated approaches should enable both New Zealand aquaculture and wild capture and harvest seafood to be able to be considered organic. While MPI has not released their definition of organic, there is largely no human interference with the final product other than capturing and processing it.

#### Specific Comments and Question Response:

Q1. How strongly do you agree or disagree with the proposed baseline processes for assessing business' compliance with the organic standard?

5. We agree with the proposed baseline process.

Q2. How strongly do you agree or disagree with the proposed organic management plan requirements? Is there anything you would add or remove? What you be the advantages or disadvantages for your business of keeping an organic management plan?

6. We agree with the proposed organic management plan requirements. From a record keeping perspective it would be advantageous to have an organic management plan.

7. However, we prefer the responsibilities to be linked with a position instead of a person. The standard/requirements needs to allow for alternative descriptions of physical boundaries, e.g to allow for mobile operators.

Q3. How strongly do you agree or disagree that:

- An initial assessment should involve an evaluation of an organic management plan, and verification of the business.
- If the recognised person who evaluated the plan is also able to verify that the business is operating in accordance with its plan in one visit, then a second visit should not be required as part of the initial assessment.

Please include further comments if there are any

8. We agree with that initial assessment should involve an evaluation of an organic management plan, but we believe that the standard should provide for exemptions from onsite visits as there maybe situations where onsite visits are deemed not necessary.
9. We agree with the second statement.

Q4. How strongly do you agree or disagree that MPI should assess and approve business' organic management plans (as well as assessing and approving the business)?

10. We are neutral on MPI assessing and approving the businesses and their organic management plans. We don't feel that there is an issue with the government stepping into run the approval programs, however, as was brought up during the consultation sessions, manpower is limited. There will be a threshold in which the compliance program will be too expensive to participate in due to manpower costs– this limit will obviously be lower for the smaller organic producers.

Q5. How strongly do you agree or disagree that the following details of the organic business should be made public in a public register?

- Name and location of the organic business
- The products they are approved to describe as organic
- The processes they are approved to carry out for organic products
- The status of the approval
- Approval date
- The recognised agency or person who assessed the business

11. We largely agree that the details listed above can be included in a register as it would increase public confidence in the product being consumed, however, we do not see the need to include the recognised agency or person who assessed the business.

Q6. How strongly do you agree or disagree that business should be verified on an ongoing basis?

12. We agree that businesses should be verified on an ongoing basis it builds trust in New Zealand's organic products. Verification frequency should be based on risk and performance.
13. It would be preferable that the seafood industry be able to combine the evaluation and verification for the Organic Act with the verification required for the Animal Products Act as suggested by Pg 15 of the consultation document. This would reduce the time spent on the verification procedures and could potentially bring the costs down as well.

Q7. What factors do you think MPI should take into account when setting, or deciding to set a duration on the approval?

14. If the business is going to be verified on an ongoing basis, there is no need for an expiration date on the approval.

Q8. How strongly do you agree or disagree with the following statements?

- Significant changes to organic management plans should be approved by MPI
- Significant incidents should be notified to the recognised agency.

Please include any comments.

15. We agree with these two statements, providing that these changes and incidents are clearly defined.

Q9. How strongly do you agree or disagree that there should be flexibility within verification? What is your preferred option for verification?

16. We propose that the frequency and type of verification be dependent on the performance of the business and the potential contamination risk as less contamination-sensitive and/or well-performing businesses shouldn't need to undergo verification as frequently or robustly.
17. We would potentially pick option 1A instead of the other 2 options as it allows for reduction in cost whilst maintaining flexibility, depending on the risk of non-organic contamination. However, a combination of 1A and 1B should also be able to be considered for low risk and/or well performing businesses.
18. We do not agree with option 1C. However, if this option is picked, requiring annual verification regardless of the risk, there should be the option for remote verification for businesses that are considered less risky. Video calling technology has progressed enough and checks and balances can be put in place to ensure that the remote verification is of a high standard.

Q10. How strongly do you agree or disagree with the proposed risk-based criteria?

- The intended market of the products (i.e domestic or export)
- The value and volume of the products being produced
- The competence and performance history of the business, including how long it has been organic
- The complexity of the business and its plan, including whether non-organic products are also produced on the same premises and how many sub-contractors are covered

19. We agree that these factors can be considered when assessing risk.
20. On "The competence and performance history of the business" being a risk factor, we believe that if the business is being newly classified as organic, a proxy via the level of compliance with other management plans such as the Animal Products Act be used instead.

Q11. How strongly do you agree or disagree that small organic businesses should be allowed to be approved as a group?

How strongly do you agree with the proposed criteria for group scheme membership?

- Only producers and processors of organic products
- Only businesses that have an annual turnover of \$200,000 or less
- Groups must have three or more members

21. We agree that small organic businesses should be allowed to be approved as a group and with the proposed criteria for the group scheme membership.

22. We believe that the members should not verify each other, instead, an approved verifier be appointed to verify the businesses in a group at random. Due to the risk for social loafing, if a member of the group fails the check, then the other members should be given the opportunity to be re-audited.

Q12. How strongly do you agree or disagree that importers should be verified with the same flexibility as businesses producing and processing organic products domestically?

23. We agree with this.
24. We would like to caveat the above statement with this proviso that if the imported products meet standards that are considered to be more stringent than New Zealand's organic standards, then the importers do not need to change their processes or be recertified. In the case of a product adhering to a more stringent standard, the packaging should clearly state which standard the product adheres to.

Q13. How strongly do you agree or disagree that exporters should be verified with the same flexibility as businesses producing and processing organic products domestically, where the export market allows it?

How strongly do you agree or disagree that regulations should allow business exporting from New Zealand to meet overseas market access requirements rather than the New Zealand standard as long as those products aren't sold as organic in New Zealand?

25. We agree with both statements.

Q14. How strongly do you agree or disagree that recognized agencies should be accredited to either ISO 17020 or 17065 to carry out roles under the organics regime?  
How strongly do you agree or disagree that recognized agencies should be able to use a 'key technical persons' approach?

26. While we agree that recognized agencies must have capability and competency, we do not agree that the requirement to be accredited to either ISO 17020 or 17065 is the only way to demonstrate this. Accreditation and ongoing maintenance costs are significant and may be prohibitive to those smaller technical experts. Therefore, the standard should allow for alternative paths to demonstrate competency and capability, such as a quality management system.
27. We agree with the use of a 'key technical persons' approach.

Q15. How strongly do you agree or disagree with the proposed competencies for verifiers and evaluators?

28. We agree that the standard should allow for individual recognized persons and with the proposed competencies

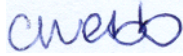
Q16. To have or not to have a logo?

29. Having a standardized mark or logo could be beneficial but it shouldn't be mandatory.

## In Summary

30. The New Zealand seafood industry is supportive of Government's efforts to introduce the National Organics Standard.

Yours sincerely



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