

DATE: 26 June 2007

MEDIA RELEASE



A.C.C.C. Secures \$270K Boost to the Organic Industry

The Chair of the National Association of Sustainable Agriculture (NASAA), George Devrell today welcomed the announcement late last week that the ACCC had secured \$270,000 for the organic industry, in accordance with the Commission's "News Release" (attached).

The bulk of the monies will be contributed to the industry peak body, the Organic Federation of Australia (OFA) and used to support the further acceptance of and adherence to the new Australian Organic Standard, now under development by Standards Australia. The new Standard will extend uniformly to domestic production and trade in organic products and imports labelled as "organic." "These are areas in which the consumer presently has no assurance of labelling integrity as a protection against fraudulent practices", said Mr Devrell.

The contribution of \$54,000 to NASAA will be dedicated specifically to the completion of NASAA's investment of some \$150,000 in ECert. ECert is a state-of-the-art electronic certification system. When completed over the next few months, the system will augment NASAA's operations from the allocation of inspections through to issuance of certificate of compliance. ECert will also enable wholesalers, retailers and interested consumers to verify the exact status of all NASAA's certified operators, on an around-the-clock basis.

Mr Devrell said that whilst GO Drew had purchased organic eggs from a NASAA client, Drew themselves were never a NASAA client, and thus not directly subject to NASAA's customary surveillance techniques. The NASAA quality system was however responsible for revealing the substitution of conventional for organic eggs and, importantly, was sufficiently robust to permit the matter to be pursued as it was. The combination of improved consumer awareness of organic certification and labelling, backed by a new domestic Standard, will provide even better protection of the interests of all stakeholders in our industry.

Whilst this has been an unexpected and challenging chapter in NASAA's twenty-one years of history, it nonetheless demonstrates that NASAA's certification system is a critical tool in the verification and oversight of the organic industry. NASAA will look forward to continue working with the ACCC, other regulatory authorities and with the OFA to bring the much needed new Australian Organic Standard into force, a standard that promises even more responsive and successful action against those who might take organic certification lightly and make false and misleading reference to organic, Mr Devrell concluded.

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Attachment: ACCC News Release 22.6.07

NEWS RELEASE



Australian
Competition &
Consumer
Commission

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Attention: Consumer, environment writers

A.C.C.C. SECURES \$270,000 BOOST TO THE ORGANIC FOOD INDUSTRY

A boost to current moves to develop a national Australian standard for organic and biodynamic produce will follow from an Australian Competition and Consumer Commission action.

A total of \$270,000 has been provided by GO Drew Pty Ltd after it admitted to the ACCC that it had substituted free range eggs to its free range organic products over an extended period.

The products concerned were sold as being certified organic by the National Association for Sustainable Agriculture, Australia Ltd.

The Organic Federation of Australia, the peak organic industry body, will receive \$216,000 to be used to assist in the development of a national standard for organic and biodynamic produce through Standards Australia.

NASAA will receive \$54,000 to enhance its ability to certify and monitor organic produce.

"The funding is a very timely event for the industry which is currently developing an Australian Standard for organic and biodynamic produce," ACCC Chairman, Mr Graeme Samuel, said today.

"Many consumers actively seek out and are prepared to pay a premium for organically produced products. Many farmers also make a significant investment to grow and differentiate organic produce. The development of a national standard will benefit both consumers and producers by enhancing the opportunity for informed choice."

In November 2005 the ACCC commenced court action against GO Drew and Mr Timothy Drew, GO Drew's former manager and compliance officer, for misrepresenting that its range of organic eggs were all organic when in fact, over a period of two years (March 2003 to March 2005) Mr Drew had deliberately substituted its free range eggs to make up short falls in organic egg production.

The court proceedings has been the subject of a hearing in the Federal Court before Justice Gray in March 2007. The decision in respect of the orders to be made by the court has been reserved. The ACCC, GO Drew and Mr Drew have asked the court to make declarations, injunctions and an order for costs in the amount agreed upon between the parties.

In the course of the hearing Justice Gray advised the parties he had no objection to the disbursement of the funds, received following a court-enforceable undertaking offered by GO Drew, before handing down his decision. Consequently the ACCC has taken action to permit release of the monies to OFA and NASAA ahead of the decision.

Media inquiries

Mr Graeme Samuel, Chairman, (03) 9290 1812 or mobile/pager 0408 335 555

Ms Lin Enright, Director, Media Unit, (02) 6243 1108 or 0414 613 520

General inquiries

Infocentre: 1300 302 502

OFA media inquiries:

Mr Eric Love, Deputy Chair, (02) 9922 3456 or 0419 619 455

Mr Tim Marshall, Director, 0412 473 230

NASAA media inquiries:

Mr George Devrell, Chair, 0427 282 496

Mr Rod May, Deputy Chair, 0400 630 653

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NASAA at a Glance:

Formed in 1986, The National Association for Sustainable Agriculture Australia (NASAA) is one of Australia's largest organic certifiers.

With operations both in Australia and overseas, the company provides certification and inspection services, which assist in facilitating market access throughout the world for NASAA certified organic product. NASAA is accredited by AQIS (Australian Quarantine Inspection Service), USDA (United States Department of Agriculture) and IFOAM (International Federation of Organic Agriculture Movements).

With a national office based in the Adelaide Hills in South Australia, NASAA is a non-profit company limited by guarantee comprising an association of members and certified operators (over 1000).

For further information visit the NASAA website at www.nasaa.com.au.