

OPINION: NASAA VIEWS ON CURRENT AUSTRALIAN ORGANIC INDUSTRY ISSUES

Are certifiers the best-equipped organisations to promote organic produce to consumers or to regulate the Australian industry? Here are NASAA views on the current debates:

Certifier Positioning vs Consumer Marketing

The Role of Certifiers

A healthy production segment is essential to the success of the Australian organic industry, and this is where the certifiers are important. The key certifier role is the maintenance of production standards, and the protection of organic integrity through the chain to retail.

The sole market of the certifiers consists of the operators/producers, who fund certification to ensure that high integrity production is maintained and recognised.

It is critical to medium term production segment wellbeing that a competitive market is maintained for the provision of certification services. There is plenty of global evidence in commodity markets to suggest that the creation of a monopoly 'desk', (in this case through a merger of certifiers,) would be to the detriment of operators and producers.

The right of choice would be removed immediately. Unilateral changes in certification charges are likely to follow soon after. Operator splinter groups would be an inevitable result.

In addressing the issue of 'certifier logo confusion', NASAA believes that the existing logos of individual certifiers can underpin a National Organic certification logo, and that the two are in fact complementary on any product package. It is definitely not NASAA's goal to see individual certifier identification subsumed by such a single logo.

However, a complementary, authoritative and uniform national logo to indicate "Certified Organic" would be a significant step forward. Regulatory capabilities, including access to legal enforcement of standards, would be a highly desirable attribute of such a product assurance regime. Again, we believe this regime should be independent of the certifiers to avoid excessive concentration of market power.

There is no 'loss' to any certifier in adopting such an approach as there is no meaningful evidence or research whatsoever to suggest that any current certifier logo constitutes a brand or any type of consumer franchise. In fact, this approach ensures the on-going placement of the certifier logo.

Consumer Marketing

Consumer marketing is both a pan industry and a retailer role that the certifiers are neither chartered nor resourced to address. No current Australian certifier (or even monopoly merger of certifiers) has the funding capability to create or sustain a national consumer brand, nor is it likely such a single brand would be acceptable to competing retail merchandisers such as Coles, Woolworths or Macro.

As in other consumer commodity industries, mass marketing belongs to well-capitalised, profit oriented brand makers and high volume resellers. This is neither a certifier role nor a practical certifier capability.

However, the Australian certified organic production and merchandiser segments clearly share a critical need for absolute quality assurance at consumer level. On going success for both is dependent on consumer ability to consistently identify certified quality.

In virtually every food commodity industry, for example, in conventional grains or livestock production, the forum for developing such platforms is an industry peak body. Addressing this need for the Australian certified organic industry, the Organic Federation of Australia (OFA), received unanimous support from industry representatives on July 29, 2005. NASAA continues to support the OFA.

The OFA and the major certifiers are currently in the process of working through options for organic market regulation (including uniform certification standard labelling) with the Commonwealth. It is this process that has current industry legitimacy and therefore deserves full industry support.

NASAA's view is we need to complete these processes one step at a time in the long-term interest of the Australian organic industry. We believe that attempts to derail the process are best characterised as either not in the industry interest or vain self-interest. They need to be widely identified as such.