



Second Supplementary Submission
Senate Inquiry for 'National Organic Standard Bill
2024'
On behalf of: Organic Development Group



Executive Summary

Following the supplementary submission from the Department of Agriculture, Fisheries and Forestry (DAFF), the Organic Development Group (ODG) has prepared this response to address new concerns raised that were not covered in the original submission.

This submission focuses on:

- Opportunities for Export Growth
- Impact of the Bill
- Regulatory Framework Concerns

The ODG acknowledges key concerns raised by DAFF and highlights mechanisms the Committee could consider addressing data collection gaps identified during the inquiry. This submission reinforces the economic opportunities the Bill presents, particularly in expanding market access, reducing certification costs, and strengthening Australia's position as a global leader in organics.

Opportunities for Export Growth

Australia is an export-driven nation, with over 72 per cent of agricultural production exported¹. As Australia's organic sector continues to grow, there is an increasing need to expand the current market scope, reduce trade barriers, and diversify trade opportunities for organic products.

DAFF's supplementary submission presented data on organic export markets, including the United States and South Korea². However, as noted in the ODG's original submission, the cost of entering these markets under the current regulatory framework is significantly higher than a regular National Standard (NS) certification³, with the average certification costs to access key regulated markets being approximately two to four times higher. These costs, which are in addition to domestic certification, apply for each part of the supply chain, which may mean additional costs depending on the product input.

- South Korea: \$5,495 per year⁴
- USDA NOP: \$4,160 per year⁵
- Regular NS certification: Approximately \$1,000 to \$2,000 per year⁶

¹ Department of Agriculture Fisheries and Forestry 2023, Snapshot of Australian Agriculture 2023, accessed on 30 January 2025.

² Department of Agriculture, Fisheries and Forestry 2025, Inquiry into National Organic Standard Bill 2024, Rural and Regional Affairs and Transport Committee, Submission 21.1.

³ Organic Development Group 2024, Inquiry into National Organic Standard Bill 2024, Rural and Regional Affairs and Transport Committee, Submission 20.

⁴ Organic Development Group 2024, Inquiry into National Organic Standard Bill 2024, Rural and Regional Affairs and Transport Committee, Submission 20.1.

⁵ Organic Development Group 2024, Inquiry into National Organic Standard Bill 2024, Rural and Regional Affairs and Transport Committee, Submission 20.1.

⁶ <https://austorganic.com/certification-and-standards/certification-faqs/>



Beyond certification fees, maintaining USDA NOP compliance alone requires an additional 151 hours of work annually, translating to approximately \$8,500 dollars in additional costs per operator. These barriers create a significant increase in costs compared to domestic certification, limiting the ability of Australian organic operators to expand exports⁷.

Multiple submissions to this inquiry have highlighted the challenges and costs associated with market access to the USA and South Korea. The submissions noted that market entry costs extend beyond individual businesses, impacting their entire supply chains including suppliers they rely upon for their products.

A key barrier is the considerable cost of certification to enter these markets, which is significantly higher than National Standard certification. Currently, operators must undertake duplicate certifications for export, driving up costs and administrative burdens. Domestic regulation would provide a pathway to negotiate equivalency agreements with these countries, reducing market entry costs by ensuring recognition of a single, streamlined certification under the National Standard⁸.

The following submissions specifically highlighted these challenges in accessing the USA and South Korea (some submitters raised concerns about both markets):

Submissions highlighting market access barriers in the United States:

- Submission 10: Pure Harvest⁹
- Submission 11: Kehoe's Kitchen¹⁰
- Submission 14: Peninsula Fresh¹¹

Submissions highlighting market access barriers in South Korea:

- Submission 10: Pure Harvest¹²
- Submission 11: Kehoe's Kitchen¹³
- Submission 14: Peninsula Fresh¹⁴

⁷ Organic Development Group 2024, Inquiry into National Organic Standard Bill 2024, Rural and Regional Affairs and Transport Committee, Submission 20.1.

⁸ Parliament of the Commonwealth of Australia 2024, National Organic Standard Bill 2024: Explanatory Memorandum, Senate

⁹ PureHarvest 2024, Inquiry into National Organic Standard Bill 2024, Rural and Regional Affairs and Transport Committee, Submission 10.

¹⁰ Kehoe's Kitchen 2024, Inquiry into National Organic Standard Bill 2024, Rural and Regional Affairs and Transport Committee, Submission 11.

¹¹ Peninsula Fresh Organics 2024, Inquiry into National Organic Standard Bill 2024, Rural and Regional Affairs and Transport Committee, Submission 14.

¹² PureHarvest 2024, Inquiry into National Organic Standard Bill 2024, Rural and Regional Affairs and Transport Committee, Submission 10.

¹³ Kehoe's Kitchen 2024, Inquiry into National Organic Standard Bill 2024, Rural and Regional Affairs and Transport Committee, Submission 11.

¹⁴ Peninsula Fresh Organics 2024, Inquiry into National Organic Standard Bill 2024, Rural and Regional Affairs and Transport Committee, Submission 14.



- Submission 19: Kialla Foods¹⁵

The National Organic Standard Bill provides an opportunity to align Australia's domestic framework with key international trading partners, ensuring that Australian producers can compete more effectively in global markets. Despite having the world's largest area of certified organic land, Australia captures only 1 per cent of the \$220 billion global organic industry^{16 17}, highlighting the gap between potential and market realisation. Expanding equivalency agreements and removing costly, duplicative certification requirements will allow Australia's organic sector to fully capitalise on its natural advantages. In addition to unlocking greater export opportunities, strengthening organic trade pathways will also support the agriculture sector's goal of reaching \$100 billion by 2030¹⁸.

Impact of the Bill

The organic industry notes that failing to regulate organic certification imposes financial burdens on operators and consumers, including missed export opportunities and greenwashing risks that harm consumer trust.

- Approximately one third of organic consumers report being misled by false organic products,^{19 20 21} demonstrating the risks posed by the absence of a regulatory framework.
- The Australian Competition and Consumer Commission's (ACCC) 2022/23 greenwashing sweep²² further underscored the prevalence of misleading sustainability claims and the need for stronger regulatory oversight.
- The cost of organic certification varies but typically ranges between \$1,000 and \$2,000 per year²³. Smaller operators undergoing ongoing audits can expect annual costs of approximately \$1,000²⁴. To put this into perspective, considering that a small takeaway flat white coffee in Australian capital cities averages around \$4.78²⁵, the annual certification cost equates to approximately the price of one small coffee per day.
- The Bill directly addresses these issues by safeguarding the organic industry from greenwashing. It ensures that only certified products can legally claim to be organic,

¹⁵ Kialla Pure Foods Pty Ltd 2024, Inquiry into National Organic Standard Bill 2024, *Rural and Regional Affairs and Transport Committee, Submission 19*.

¹⁶ ACIL Allen, Mobium Group, & NielsenIQ. (2023). Australian Organic Market Report 2023. Australian Organic Limited

¹⁷ Willer, Helga Jan Trávníček and Bernhard Schlatter (Eds.) (2024): The World of Organic Agriculture. Statistics and Emerging Trends 2024. Research Institute of Organic Agriculture FiBL, Frick, and IFOAM – Organics International, Bonn.

¹⁸ <https://www.agriculture.gov.au/agriculture-land/farm-food-drought/ag2030>

¹⁹ ACIL Allen, Mobium Group, & NielsenIQ. (2023). Australian Organic Market Report 2023. Australian Organic Limited.

²⁰ Organic Development Group 2024, Inquiry into National Organic Standard Bill 2024, *Rural and Regional Affairs and Transport Committee, Submission 20*.

²¹ Organic Development Group 2024, Inquiry into National Organic Standard Bill 2024, *Rural and Regional Affairs and Transport Committee, Submission 20.1*.

²² <https://www.accc.gov.au/media-release/accc-greenwashing-internet-sweep-unearths-widespread-concerning-claims>

²³ <https://austorganic.com/certification-and-standards/certification-faqs/>

²⁴ <https://austorganic.com/certification-and-standards/certification-faqs/>

²⁵ <https://www.indaily.com.au/citymag/food-drink/2024/04/24/the-real-price-of-a-damn-good-cup-of-coffee>



protecting consumers from misleading claims and creating a level playing field for certified operators.

- The Bill also facilitates improved market access by reducing certification costs and administrative burdens for exporters. By establishing a clear, nationally recognised standard, it strengthens Australia's ability to negotiate equivalency agreements with key trading partners, removing the need for costly, duplicative certifications that operators currently face.

The ODG notes that if certification costs remain a barrier, the Government could introduce incentives to encourage operators claiming to be organic to become certified. A similar approach has been implemented at the State level, with Victoria offering a 50 per cent off incentive for the uptake of the Australia New Zealand Food Standards Code: Standards 4.2.7, 4.2.8, and 4.2.9 (Primary Production and Processing Standards for berries, leafy vegetables, and melons) during 2025 and 2026²⁶.

A comparable initiative for organic certification could help transition uncertified operators into compliance while ensuring a stronger, more transparent domestic organic industry. The cost-benefit of introducing such incentives could be assessed during the review process enshrined in the Bill²⁷, providing a data-driven approach to evaluating its effectiveness in increasing certified organic participation.

Cost Benefit Analysis

The ODG notes the lack of a recent cost benefit analysis (CBA) in both of DAFF's submissions. As noted in DAFF's original submission dated December 2024, previous CBAs were undertaken in 2021 and 2022 by Deloitte (2021) and PricewaterhouseCoopers (2022); however, both failed to account for the economic benefits of domestic regulation, particularly for export growth. The case studies provided in the ODG submission dated 18 December 2024 on pages 6, 10, 11, and 13 and 14 consistently highlight:

1. How domestic regulation can expand market access for organic operators.
2. How it enhances consumer trust in organic products.
3. How it reduces financial and administrative burdens on certified organic operators²⁸.

Currently, operators who choose not to pay certification costs still benefit from 'organic' labelling and associated price premiums, while certified organic operators bear all compliance burdens. The disadvantage and costs are being felt by certified operators, not by those who have chosen not to become certified. This creates an uneven playing field that the Bill seeks to rectify.²⁹

Lack of Investment in the Organic Industry

²⁶ [Food safety for horticulture producers | Food safety | Biosecurity | Agriculture Victoria](#)

²⁷ The Parliament of the Commonwealth of Australia 2025, National Organic Standard Bill 2024, The Senate.

²⁸ Parliament of the Commonwealth of Australia 2024, National Organic Standard Bill 2024: Explanatory Memorandum, Senate

²⁹ Organic Development Group 2024, Inquiry into National Organic Standard Bill 2024, Rural and Regional Affairs and Transport Committee, Submission 20.1.



DAFF's concerns about costs also highlight the lack of investment in Australia's organic industry. Australia is now the only OECD country without domestic organic regulation, while regions like the United States and the European Union are investing heavily in organic agriculture through targeted financial and policy support, and by offering assistance for operators who wish to become organic.

- The USDA **Organic Transition Initiative** provides technical assistance, market development programs, and updates to conservation, crop insurance, and certification programs, ensuring organic producers receive financial and structural support during their transition³⁰.
- The EU's **Organic Action Plan** is designed to boost consumer demand, stimulate production and processing, and strengthen environmental sustainability through a mix of financial incentives, policy support, and investment in market development³¹.

In contrast, Australia's organic industry receives no direct government funding, nor does it receive financial support from Research and Development Corporations (RDCs)—despite organic operators paying RDC levies just like their conventional counterparts³².

The 2022 PricewaterhouseCoopers cost-benefit analysis estimated that a 1 per cent increase in organic exports would fully offset the costs of implementing a domestic organic standard³³. Furthermore, approximately 13 per cent of respondents in the *'Have Your Say'* survey indicated they are actively looking to export³⁴. These figures suggest that with the right investment and implementation, the organic sector could deliver a strong return on government support.

The *Trading North* report also recommended ongoing budgetary support for the organic industry³⁵ to ensure the growth potential is realised - without investment, the industry will struggle to quantify its opportunities and challenges beyond the experiences of individual certified operators.

Response to Regulatory Framework Concerns

DAFF raised concerns about how the Bill will interact with existing regulatory frameworks across different portfolios³⁶. The ODG is comprised of organic industry organisations, not legislative specialists, and encourages further engagement with the Parliamentary Office who drafted the Bill and the Coalition to clarify these concerns.

³⁰ Organic Trade Association 2022, Organic Trade Association Applauds Investment of up to \$300 Million in New Organic Transition Initiative, Media Release.

³¹ European Commission 2020, Farm to Fork Strategy: For a fair, healthy and environmentally-friendly food system, European Union.

³² https://www.agriculture.gov.au/agriculture-land/farm-food-drought/innovation/research_and_development_corporations_and_companies

³³ Department of Agriculture, Water and the Environment 2022, Cost-Benefit Analysis of a New Regulatory Approach for Domestic Organics, PricewaterhouseCoopers.

³⁴ Department of Agriculture, Water and the Environment 2022, Cost-Benefit Analysis of a New Regulatory Approach for Domestic Organics, PricewaterhouseCoopers.

³⁵ https://parlinfo.aph.gov.au/parlInfo/download/committees/reportrep/RB000506/toc_pdf/TradingNorth.pdf

³⁶ Department of Agriculture, Fisheries and Forestry 2025, Inquiry into National Organic Standard Bill 2024, Rural and Regional Affairs and Transport Committee, Submission 21.1.



Conclusion

The ODG urges the committee to carefully consider the concerns and opportunities outlined in this response and is readily available to provide further context. The ODG as a collective represents 90 per cent of the organic industry and works on behalf of its members and clients to tackle industry-wide challenges, including market access barriers and greenwashing, while advocating for policies that support organic sector growth.

While the ODG currently does not have the resources to conduct a detailed cost-benefit analysis or regulatory framework review, its members bring deep expertise in certification, compliance, and the realities of organic market operations. This enables the ODG to provide critical firsthand insights into how regulatory changes impact organic operators, consumers, and trade relationships—ensuring that policy decisions are informed by the realities of those directly engaged in the industry.

Why This Bill Matters:

- It levels the playing field by ensuring that all operators using the organic label meet the same regulatory standards.
- It strengthens Australia's opportunities for future market access by aligning with key international trading partners.
- It supports organic industry growth by reducing certification burdens and providing a framework for investment.

As the inquiry process concludes, the ODG urges the Committee to prioritise the voices of Australia's certified organic operators and recommends support for the Bill. Supporting this Bill will not only secure Australia's position in global organic markets, but also drive trade expansion, regulatory certainty, and long-term industry growth. By establishing a strong, enforceable regulatory framework, Australia can unlock the full potential of its organic sector, ensuring a sustainable, competitive, and globally recognised organic industry.

The ODG remains committed to working alongside the government in shaping a robust and effective National Organic Standard that delivers tangible long-term benefits for producers, consumers, and Australia's broader agricultural economy.