

19 April 2018

Plant Sciences and Risk Assessment
Department of Agriculture and Water Resources
GPO Box 858
CANBERRA ACT 2601

RE: Draft review of import conditions for brassicaceous crop seeds for sowing into Australia

To avoid the likely decimation of the Australian organic vegetable sector, we request that the proposed additional phytosanitary measures allow a generous sunset clause for the continued importation of seed, and the use of equivalent alternative treatments to broad spectrum fungicides.

The industry encourages the department to undertake research into alternative seed treatments that may be accepted under the National Standard before any change is made to the importation conditions.

Prior to adopting the findings of the review, we urge the Government to undertake a regulatory impact assessment of the costs and economic implications for the organic industry of adopting the proposals.

If the proposed additional phytosanitary measures are adopted, we consider that there should be greater effort placed on the fostering of an Australian organic seed industry, for reasons of biosecurity, self-reliance and enhancing exports of both organic crops and organic seeds.

We suggest that the Department cooperate with the organic industry to take advantage of the opportunities for the production of organic seed in Australia, including taking into account the strategies employed in other countries, the existing seed production base, the documented organic seed shortage held in certifiers' records, and the local producer knowledge that is already here and willing to be shared.

Organic Industries of Australia has established a technical committee, through which it is willing to work on these issues with the Department.



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Introduction

In February 2018, Australia's organic industries agreed to establish a new peak body that is the voice for Australia's organic industries in regard to policy and market access. Organic Industries of Australia will serve that peak body role until the industry has considered all the various options for the establishment of a permanent peak body.

Following concerns raised by organic operators in respect of this review, Organic Industries of Australia met with the Department on 11 April 2018 to discuss alternative risk management options that are commercially viable and do not compromise Australia's biosecurity.

As a result of the meeting, the Department agreed to consider alternative equivalent options that do not involve chemical treatment or that use substances permitted by the National Standard for Organic and Biodynamic Produce. These alternative options include, but are not limited to, testing of seed to demonstrate absence of the pathogens of quarantine concern, and use of hot water treatment. Other options proposed by the organic industry will also be considered by the department if the efficacy of the measure can be demonstrated.

Organic Industries of Australia has convened a technical committee of organic operators and certifiers, through which it welcomes the opportunity to continue consultations with the Department on issues around this review.

Industry view of biodiversity risk and its regulation

The absence of many pests and diseases is important in marketing Australian produce overseas, including organic produce.

The industry supports national programs of biosecurity surveillance and analysis to prevent, respond to, and recover from pests and diseases that threaten the economy and environment. The industry values the government's ability to detect and manage biosecurity risks early and (in turn) minimise damage to our farmers, the environment and the economy.

The measures set out in the draft review will increase the regulatory costs of seed importation, with the costs to be borne by seed supply companies and vegetable producers. However, biosecurity and quarantine services have much broader benefits, akin to a national defence service, and its operational costs should therefore largely be funded from national expenditure.

It is peculiar that the general approach in this biodiversity review seems at odds with the Government's clear approach to regulation: "we will reduce the regulatory burden for individuals, businesses and community organisations. From now on, cutting existing red tape and limiting the flow of new regulation is a high priority."¹ Furthermore, every policy proposal designed to introduce or abolish regulation must now be accompanied by an Australian Government Regulation Impact Statement. And yet there is not any consideration of the regulatory or economic costs in the review.

Organic standards

Central to the success of Australia's organic industry, is the need to maintain trust in a credible system of standards and the ways to ensure that there is a system with high levels of integrity.

¹ Commonwealth of Australia (2014), The Australian Government Guide to Regulation, <https://www.pmc.gov.au/resource-centre/regulation/australian-government-guide-regulation>

The *National Standard for Organic and Biodynamic Produce* is the mandatory export standard by which organic exports are certified under the *Export Control Act 1982*. There is no mandatory requirement for certification of organic product sold domestically in Australia. In the absence of specific domestic regulation for organic production, the export regulation of organics became the *de facto* domestic regulation of the sector, through private certification standards aligned to the National Standard. Many organic businesses choose to be certified by an organic certification body to underpin truth in labelling requirements and promote consumer confidence.

The National Standard also forms the basis of equivalency agreements between approved certifying organisations and importing country requirements.

Requirements outlined in the National Standard are complementary and additional to other health, agricultural or food standards, or regulatory requirements recognised by or enacted by the Commonwealth, States or Territories. These include but are not limited to food safety, animal welfare, environmental management, and social justice.

Treatment of imported seeds under the National Standard

The National Standard provides:

1.7.2 Organic plants must be grown from organic seed or organic plant propagation material. New seeds and new vegetative reproductive material shall be considered organic when grown in accordance with the provisions of this Standard for at least one generation or, in the case of perennial crops, two growing seasons.

however:

Where an operator can demonstrate to the approved certifying organisation that material satisfying 1.7.2 is not available in sufficient quality and quantity, the operator must seek written approval from the approved certification organisation to use seed or vegetative reproductive material not in accordance with this Standard.

As is the case in all organic standards, this derogation is intended to allow the expansion of organic production, by not imposing excessive regulatory burden on growers. At the same time, it can be argued that this has hindered the growth of an organic seed supply base and fostered a dependence on imported organic seed and (where organic seed is not available) “untreated” non-organic seed for organic crop production. For this reason, many countries are now working to reduce their dependence on the derogation.

The review notes that Australia relies on the overseas supply of seeds for brassicaceous crop production. As organic vegetable producers account for only a fraction of total Australian demand for brassicaceous seeds, practical solutions to biodiversity risk treatments for imported brassicaceous seeds need to account for the relatively small volumes of seed required for organic producers, and the commercial realities in supplying that relatively small market.

Export opportunities for organic vegetables

The reliance on this derogation over the last 20 years has entrenched Australia’s dependence on imported seed, and more importantly, has begun to limit export opportunities for Australian organic produce.

Some large Australian operators are gearing up their exports into China using internet-based marketing and Australian organic certification. If, as seems likely, China adopts the same rules for

internet sales as they do in retail shops, and then these sales will need to become Chinese certified. However, Chinese certification will not allow any treated seed to be used, even if it has been washed. So, this will eliminate from the Chinese market any exporter that can't get untreated seed.

The proposals outlined in the review have the potential to undermine many millions of dollars of Australian organic exports to China.

Additional phytosanitary measures

The review proposes additional phytosanitary measures for seeds of *Brassica oleracea*, *Brassica rapa*, *Eruca vesicaria* and *Raphanus sativus*. The proposed additional phytosanitary measures would require:

- Mandatory fungicidal treatment (off-shore or on-shore) for seeds of *Brassica oleracea*, *Brassica rapa*, *Eruca vesicaria* and *Raphanus sativus*.
- Seed lots treated off-shore to be accompanied by an official government Phytosanitary Certificate endorsed with the additional declaration that the consignment has undergone mandatory treatment in accordance with Australian import conditions.

The organic industry does not support mandatory systemic broad spectrum fungicidal treatment of brassicaceous crop seeds. It was heartened to hear from the Department during consultations that the intent in the draft review, though not clear, was to accept alternative treatments that are equivalent or superior to fungicidal treatment.

Increasingly, community attitudes are that it is no longer appropriate to always suggest a chemical solution to agricultural problems—not only because of the growth of organic and chemical free products, but also because there are possible non-chemical controls which even non-organic growers might favour.

Nevertheless, the industry remains concerned that commercial practicalities and excessive costs will rule-out many of these alternative treatments. For example:

- Hot water treatment is not a suitable option for bulk seed (100 kg plus), due to the availability of treatment facilities. The only facility in Australia can treat a maximum of 10 kilos per immersion.
- Most overseas seed companies will only warrant the seeds from 30 days after hot water immersion. There are rumours around that the NPPO's of the exporting countries will not sign-off on the hot water treatment unless its proven that the HWT was successful. The only way to meet this is with the below PCR seed test. The cost of undertaking this testing would be prohibitive, and eliminate the importation of these seeds.
- At this stage, we don't know the full damage to these seed crops from hot water treatment. It's possible that germination rates may drop to around 45 per cent; however, any rate lower than 85 per cent is unlikely to be commercially viable.
- We doubt that overseas seed producers would see any commercial advantage in alternative treatments for the relatively small volumes of seed required by Australia's organic vegetable growers.

The industry encourages the department to undertake research into alternative seed treatments that may be accepted under the National Standard before any change is made to the importation conditions.

Furthermore, any change to the importation conditions should be regularly reviewed to account for new treatment and testing options becoming available through new technologies.

Sprouting and micro-greens

We note that sprouting and micro-greens producers are also reliant on imported seed and they will likely need a specific exclusion for human consumption. This may be a further complication to the proposals in the draft review, as an exemption for this purpose will likely challenge the global application of a requirement to treat imported seed.

Reduction in supply of organic and heirloom seed

The industry is concerned that proposals contained in the review will result in a reduction in the volume, variety, and biodiversity of seeds available to Australian consumers.

Seed suppliers already complain that quarantine laws and testing regimes for food seed are already onerous. For example, the cost of testing one lot of one variety of tomato or capsicum seed is approximately \$3,500. This forces smaller companies to reduce the supply of varieties of seed to consumers.

Civilizations began selecting plants for agricultural purposes thousands of years ago. For centuries, improved varieties were freely exchanged as public-domain seeds. Many Australians prefer to continue this heirloom cultural heritage along with traditional low chemical farming methods.

Organic operators support the need to protect Australia's unique environment, but do not support the reduction in consumer choice due to cost convenience. Organic operators and consumers expect their food sovereignty rights to be protected, not undermined, by Government agencies. The Department should clearly demonstrate that all reasonable avenues have been considered before implementing further regulatory burden that reduces producer and consumer choice in seeds.

A commercial domestic seed industry

We have consulted with our members and leading organic seed producers in Australia, and consider that the regulatory costs involved in the review's proposals may present an opportunity for the development of a new industry in Australia: an economically organic seed production for domestic and export markets.

There is a small number of dedicated seed producers who are producing small scale to meet the home garden and small commercial producer needs. To meet the seed demands, Australia requires more farms to take interest in commercial seed production.

However, it would be desirable for the industry and the Department to collaborate on such a transition to an efficient local organic seed supply, and a reduced reliance on the organic derogation and imported seeds. The alternative of a rapid introduction of the review's proposals would likely have the following effects:

- decimate Australia's organic vegetable industry, due to no seed being usable under the Australian organic standards

- force further “derogation” (exceptions to the National Standard), thus undermining confidence in organic produce
- increase production costs and reduce Australia’s competitive position
- undermine the potential for future exports to China

We consider that organic seed production could become a pilot program for a National Organic Program within the Department, or the Department could assist with an industry-led initiative to foster organic seed production prior to implementing the proposed changes to import regulations.

What other countries have done

We would also like to draw your attention to the following examples of programs being undertaken overseas. There are many other programs, seed networks, exchanges and cooperatives that are worthy of further research as to their suitability to the Australian organic industry.

United States

To meet the increased demand for organic seeds, the National Organic Program (NOP), part of USDA’s Agricultural Marketing Service is collaborating and sharing information with the Organic Seed Alliance (OSA) and its partner, the Association of Official Seed Certifying Agencies (AOSCA), to better understand the organic seed market and to help farmers locate seed producers and supplies.

For example, NOP supported the creation of the AOSCA Organic Seed Finder , a website that allows organic seed vendors and potential customers to find one another. Certifying agents and organic operations can use this tool to locate available organic seed and ensure the integrity of those seeds.

Miles McEvoy, Deputy Administrator of the National Organic Program,

<https://www.usda.gov/media/blog/2014/12/18/organic-101-organic-seeds-are-fundamental-right-start>

Switzerland

The Swiss operate a system whereby for certain crops, farmers granted a derogation to buy NCT seed pay the same price as they would have paid for equivalent organic seed. The margin then goes to a fund that helps to finance development of the organic seed sector. This system works on a private basis (i.e. it is not a government-led regulation system). To illustrate with an example, a potato-grower may only have a derogation validated if he or she has paid the difference between the organic and the conventional batch seed potatoes as verified by an invoice from the potato control body. A similar funding system is also in operation for wheat and strawberries, but not for any vegetable varieties. In vegetables, the high diversity of varieties and also the major price difference between hybrid and open pollinated varieties make it difficult to calculate the price difference between organic and ‘equivalent’ NCT seed in a fair and objective way.

The organic seed regulations framework in Europe—Current status and recommendations for future development, Thomas F. Döring et al, www.eco-pb.org/fileadmin/eco-pb/documents/.../orgprints_Doringetal_2012.pdf