

Organics Programme Update

DECEMBER 2008



Welcome to the 2008 update of the AsureQuality organics programme. In this update we have provided a range of information that we hope you will find of assistance with your AsureQuality organic certification.

The AsureQuality organics programme has grown considerably over the last year providing benefits at both an environmental and consumer level. The increased number of certified farms and products provides more consumer choice, better local and worldwide promotion of the AsureQuality Organics Brand, and for many primary producers, the increased availability of inputs due to higher demand for their use.

One of our key goals continues to be that of improving our communication and service to you, our customer. Over the last year we have established a new technical team focused on improving our operating systems and ultimately improving the service we provide. We have doubled the number of organic auditors within the team and can now deliver a wide range of specialist skills across the disciplines we audit.

The 2008 year marked the launch of our Organic specific website www.organiccertification.co.nz designed to provide ease of access to information related to organic certification (give it a try, I would welcome your feedback). We have responded to feedback around the delays in processing requests and have centralised our communication to improve turnaround of general enquiries along with improving the processing of input approvals, export certificates and label approvals. In addition new processes have been introduced to speed up the re-certification process on an annual basis

AsureQuality Organic certification continues to offer to both primary producers and processors a certification standard that readily integrates into their business providing independent proof of organic authenticity.

Best wishes for the festive season, we look forward to working with you throughout 2009.

Kind Regards
Helen James
Organics Technical Co-ordinator

CONTENTS

Information & Communication

- › AsureQuality Organics Programme Contacts
- › The AsureQuality Organic Certification website
- › Programme General and Technical Updates
- › Turnaround times over christmas
- › Field days
- › AsureQuality Organic Signs

Certification Process

- › Maintaining Your Organic Status
- › Organic Management Plans
- › Updated Certificate Issue
- › Non Conformances
- › Extension to Scope of Certification
- › Price Schedule
- › AsureQuality Organic Standard

Traceability

- › Organic Food Chain
- › AsureQuality Certification Mark Use
- › Label Approvals
- › Export Certificates
- › Selling your Organic Business

Accreditations & Export Requirements

- › AsureQuality Accreditations
- › Export to Canada
- › Export to Taiwan
- › EU Logo

Technical Update Primary Producers

- › Input Product Decision Tree and Input Approval Form
- › Table 10: Substances for Livestock Treatments & Inputs
- › Technical Notifications
- › Livestock Feed Rules Herbivores & Other Species

Information & Communication

ASUREQUALITY ORGANICS PROGRAMME CONTACTS

Please find enclosed a contact page pullout for your reference.

ASUREQUALITY ORGANICS WEBSITE

www.organiccertification.co.nz

The AsureQuality organics website was developed to provide both existing and new organic registrants access to up to date information this includes:

- › The AsureQuality Organic Standard (V3 July 2006). This has been split into relevant sections for easy reference i.e., Livestock, processing, Restricted Input tables, etc
- › Forms; permission request Forms, re-assessment audit Forms and OMP templates
- › Certified Organic Registrants list
- › Certified Input Products and Services list, information and links
- › Contacts within AsureQuality and in the wider organics network
- › Information on the other services we offer, Lab Testing, BRC, Global Gap.

PROGRAMME GENERAL & TECHNICAL UPDATES

This AsureQuality Organics programme update will continue to be an annual update which will be posted out to all operators registered with the programme.

In addition to this annual update we have created email lists of all those registrants who have supplied their email details to us with a few additions of people available through fax or post only so that throughout the year we can send urgent technical or accreditation updates to operators via email.

The lists we have created are:

- › Livestock

- › Horticulture
- › Processing/Exporter/Wholesalers
- › Input Products
- › Apiary
- › Poultry
- › Aquaculture
- › Dairy

Any technical updates sent out to these email groups will be sent from our AsureQuality "Organics Technical Manager" email proxy system.

If at any time you change your email address or create a new one please let us know your new details by emailing certificationservices@asurequality.com specifying your companies name and organic certification number.

TURN AROUND TIMES OVER CHRISTMAS

Please be aware that on the working days Dec 29, 30 & 31st, and Jan 5-9 we will have skeleton staff to ensure that the required 24 hour turn around times for export certificates are met. If you have other less urgent queries, input product approvals or label approvals please try to have them sent in to us by the end of next week December the 19th if you would like them actioned prior to the new year.

FIELD DAYS

This year AsureQuality was invited to present our services within the Organics Aotearoa NZ pavilion for the second year running at the Mystery Creek field days. This provided us with the opportunity to promote the AsureQuality organics brand by having on display some of our operators products, viewed by both consumers and those interested in certification.

OANZ offer an excellent extension service to the organics industry both advisory and as facilitators. They can be contacted on 0800 FUTURE or visit their website www.oanz.org.nz

If your organisation or an industry organisation in your area is planning on holding a field day to promote organics or gain advice on organics with regards to organic certification please email certificationservices@asurequality.com and let us know dates and location and we will look at the availability of one of our auditing or technical team to be able to attend.

ORGANIC SIGNS

All certified organic operators are eligible to receive one free "AsureQuality" sign. These are as pictured available for fully certified operators or in conversion operators. In addition to these we have an Input product sign. Operators who previously received their free AgriQuality sign along with any that were purchased are eligible for replacements. Please notify us of how many replacement AsureQuality signs you require by emailing certificationservices@asurequality.com please specify that you require a free replacement sign, the type of sign i.e., full status, conversion or Input product, number of signs and your certification number along with your postal address. These will be sent out in the new year in a bulk lot when we have had replies from everybody. Any recently certified applicants wishing to have their free gate sign please email us also to request this.



Certification Process

MAINTAINING YOUR ORGANIC STATUS

AsureQuality will review that certification should remain valid through a programme of re-assessment audits.

Re-assessment audits will take place at least annually. You will receive a reminder 3 months prior to your audit being due along with a request for you to submit your management plan if changes have occurred.

As you will see from the Organics Programme contact information, we have been working very hard this year at getting a number of new auditors trained to ensure that these re-assessment audits are completed in a timely manner.

Procedures:

- › A letter entitled 'Reassessment Audit Due Notification' along with a form entitled 'Reassessment Audit OMP Update', will be posted to you 3 months prior to when your audit is due. Your audit due date and certificate expiry date may or may not be the same date.
- › There are two other forms enclosed in this pack to be retained on file: 'Information required at Audit' and 'Organics Programme Price List'.
- › If there have been no changes to your organic management system or inputs from the previous year then you are not required to update your OMP and do not need to send anything back to us.
- › If there have been changes to your organic management system you are required to complete the 'Reassessment Audit OMP Update' form. You will need to submit this form together with a copy of your updated 'Organic Management Plan' within 14 days. This will then be sent for a review to check we have enough information for an audit to take place.

- › An auditor will contact you to arrange an audit date and time. The cost of continued certification with AsureQuality as per the new price schedule will be confirmed in the audit confirmation letter you receive from the auditor.

ORGANIC MANAGEMENT PLANS (OMP)

We no longer include in the re-assessment audit due notification pack a copy of your organic management plan from the previous year. Instead we require that all operators have an up to date copy of their own organic management plan on hand at all times. The updating of your OMP can be made easier by keeping it on file in word format, templates available from our website.

Organic Management Plans form a critical part of the onsite audit inspection. Therefore it is important that you keep your Organic Management Plan fully up to date. Failure to comply with this will result in a non-conformance at your annual review audit.

Below is an extract taken from JASANZ (Joint Accreditation System of Australia and NZ) with regards to the importance of keeping Organic Management Plans current:

"Organic Management Plans form a critical part of the audit process. Thus ALL activities relating to organic on farm/factory practice should be accurately recorded in the operator's Organic Management Plan".

The above excerpt from JASANZ highlights the need for Organic Management Plans to be detailed -blank sections and/or insufficient detail in a management plan will be deemed unacceptable. OMP templates are available www.organiccertification.co.nz Forms/Re-assessment Audit Forms

We are currently working on updating the livestock and horticulture management plans to include more information with regards to input products used, feed budgeting and contingency management.

UPDATED CERTIFICATE ISSUE

A new procedure was put into place in July this year with regards to the issuing of roll over certificates.

Organic certification of an operator remains valid providing they can demonstrate that their system continues to meet the nominated requirements, standards and the terms and conditions of certification and business. AsureQuality will review that certification should remain valid through a programme of re-assessment audits at least annually.

We now send out a roll over certificate in the month prior to when the current certificate expires. For example 'Farmer Brown' has a full organic certificate due to expire in January 2009. In December 2008 'Farmer Brown' will receive a roll over certificate valid for 12 months (i.e. January 2009-January 2010).

This procedure replaces the issuing of extensions and applies only to those customers who hold current Full Organic Certification. This process will not occur when in 'Conversion' status.

The validity of the roll over certificate is subject to a positive reassessment audit outcome. In particular the following must apply:

- › An audit must be booked at the time the auditor makes contact with you.
- › Any non conformances must be closed out within the timeframes provided where possible.
- › If observations have been raised around the need to sight an organic production run then this must be adhered to. The auditor must be notified well in advance.

If the above conditions and processes are not met or followed then suspension of certification will result. If you are suspended then any issued certificates will become invalid.

If there are any changes to the scope of certification or the standards audited against as a result of a positive re-assessment audit outcome, then an



updated certificate will be issued once the audit has been closed out. This certificate would replace the roll over certificate sent previously.

NON CONFORMANCES

Non conformances raised at your audit must be closed out by the noted due date where possible. We understand however in some circumstances this may not be possible due to 'outside factors'. If you are experiencing trouble closing any non conformances out then please notify your auditor as soon as possible so an alternative time frame can be agreed upon.

In the instance that non conformances are not closed out in a timely manner with no valid explanation then suspension of certification will occur. In the first instance, a warning letter will be sent. If the conditions in the warning letter are not met within the nominated timeframe then suspension of certification will apply and your details will be removed from our website.

If there are further delays a full re-audit at cost will be required.

Please send all non-conformance closure information direct to your auditor using the contact details from their business card which they will provide you with at the audit.

EXTENSION TO SCOPE OF CERTIFICATION

An extension to the scope of your current certification is when you wish to become certified for a product or process or different export market that is not currently listed on your organic certificate or specified in your management plan. Examples of

this could be; the addition of wool to a primary producer's certificate, the addition of a new type of food to a processors certificate; contract packaging for another companies brand not previously listed or you may wish to become eligible to export to a regulated market not previously certified for.

Ideally all extension to scopes should be applied for and included in your annual audit re-assessment update information that you send into us. This update to your information will then be reviewed during your annual re-assessment audit and if suitable an extension to your scope will be included in your certificate renewal.

However if you wish to apply for an extension to the scope of your certification mid way through the year, please be aware of the following procedures and requirements:

- › An Extension to Scope Application form must be completed and signed. Available from our website www.organiccertification.co.nz Forms/Misc
- › An updated Organic Management Plan (OMP) must be submitted along with the Application Form.

On receipt of these documents, an auditor will be assigned to review the information and decide whether an extra onsite audit is required.

If an audit is required an auditor will contact you to arrange this.

If an audit is not required and the application and management plan update is approved we will then arrange for an updated certificate to be issued and sent to you.

The cost for applying for an extension to scope is \$140+GST an hour.

This cost covers all administration, reviews, onsite time and issuing of certificates.

INPUT PRODUCTS

We are no longer able to certify input products already certified with another certification agency based on a desktop review. All operators will need to have an onsite audit as practices and procedures need to be reviewed by one of our auditors. A new application and management plan update form will be sent out to those input suppliers directly affected by this change.

PRICE SCHEDULE

A new price schedule came into effect for the organics programme in August 2008, now Version 3. This will be sent out to you in your audit due notification pack. We have offered more categories within the price options to make the pricing more comparative to the size of the organisation in regards to time spent and accreditations we hold etc.

ASUREQUALITY ORGANIC STANDARD

The AgriQuality Organic Standard version 3 July 2006 is still valid.

We have printed some new standards with a face lift to the AsureQuality branding however all of the content is still the same.

We will be reviewing the AsureQuality Organic Standard to ensure continued compliance with export markets in 2009 and a complete new one will be written, reviewed, sent out for comment and then V4 will be issued. We request that in the meantime please can you continue to use your existing AgriQuality Organic Standard V3.

If you require a replacement standard these are available to purchase for \$30 + GST. Alternatively the standard can be viewed at www.organiccertification.co.nz. To request the purchase of a replacement standard please email certificationservices@asurequality.com with your address details.

Traceability

ORGANIC FOOD CHAIN

The products that you sell and advertise as being certified organic with AsureQuality must have been audited at each level of the organic food chain and be specified on your scope of certification.

EXAMPLES:

Organic Butchers Shop

The butcher's shop where the meat is butchered, processed and sold would need to be audited and certified by AsureQuality. Ingredients going into processed meat products would need to be approved to ensure all ingredients meet the AsureQuality organic standard.

The abattoir would need to be certified.

The meat will have come from a certified organic farm.

Certified organic primary producers are certified for their product up to the farm gate only unless otherwise specified on their scope of certification. Therefore should that product be processed or on sold to a company who is not certified then that product will lose its status and will no longer be eligible to carry the AsureQuality Logo.

Due to this it is unlikely that we would issue a primary producer with a logo for their use with their own number in it unless given special permission.

Food Processing

If you are a certified processor of food or health & beauty products as a sublicensee to a company for a specific brand, these brands and products will need to be specified on your scope of certification.

If the company you are processing for is an exporter they will require an exporter or wholesaler audit.

If ingredients in your products are coming from overseas they must be arriving at your premises in original packaging as they were certified, unless the importer who sold you these products is certified for the repackaging of organic products.

ASUREQUALITY CERTIFICATION MARK USE

As a processor, packer and/or marketer certified to the AsureQuality Organic Standard you will be entitled to display the AsureQuality Organic Mark on products you are certified for and will be issued with a unique customer number that enables traceability and accountability throughout the food supply chain.

Before being eligible to use the AsureQuality certification mark on your products the following needs to have occurred:

- › Certification must have been issued and contain within the scope the product to be sold.
- › You must read, complete and sign a licence agreement. To request a copy of the licence agreement please email certificationservices@asurequality.com specifying your company name and organic certification number from your certificate.

There are three different licence agreements and their suitability to operators depends on the standard that the operator is certified to. Therefore, the licence agreement is now only available on request so that we can ensure you are sent the logos that you are entitled to.

To avoid misuse of the AsureQuality certification mark, the licence agreement is only available to processor, packer and/or marketer operators. Any other operators interested in the logo would have to be assessed by the technical manager to determine intent.

On websites or publications that wish to use the AsureQuality organic mark to show who we are etc, we allow them to use a generic logo with the number #1234 in it. This is for marketing purposes only and is not to be used on any products.

Since the merger that took place last year it has been necessary for all certified operators to update the logo's used on their packaging from AgriQuality to AsureQuality. A big thank you to all the customers that have changed their old logos to the new ones, if you have not

yet made the change please contact certificationservices@asurequality.com prior to your next print run so that a new licence agreement can be sent to you for completion enabling us to issue you with the new logo's.



LABEL APPROVALS

Any newly certified operators or existing operators changing to the AsureQuality logo once you have been issued with the logo for incorporation into your artwork, the draft artwork will require approval from our technical team prior to printing.

This approval is required prior to printing to ensure that programme, standard and logo use requirements are complied with. This includes the use of the logo in advertising, on printed material and on websites etc. Information on where to send your labels for approval prior to print will be communicated in the email you are sent with the logo.

Please refer to section 3, Labelling and claims, AsureQuality Standard. This is the section that we review your labels against during our review of them.

EXPORT CERTIFICATES

We can produce AsureQuality Organic consignment certificates covering export product to non-regulated markets. These export certificates offer further traceability to the countries and companies you are exporting to. These cost \$40 + GST + Postage or Courier fee.

To be sent an export certificate request form please email certificationservices@asurequality.com

SELLING YOUR ORGANIC BUSINESS

Organic certification is not transferable. If you are planning on

selling your certified organic business, land or processing facilities, please be aware that your certification only applies to your company as a legal entity. As soon as you cease ownership of your land or premises or cease trading under the certified company name, your certification will cease. We ask that you please notify us if you sell your business so that we can withdraw you from the programme at the time of the land transfer. If you sell the land or buildings to an operator who wishes to retain its organic status they will need to apply to us to become certified in their own right and undergo the initial audit process prior to being able to market any produce as organic. It would be helpful in negotiations with potential purchasers if you could please make this clear.

The fact that a primary production land unit would have already undergone conversion means that the 2 or 3 year conversion period would not need to occur again under the new ownership, assuming there is a minimal gap between the withdrawal of your companies certification and the new owners application to us.

Accreditations & Export Requirements

ASUREQUALITY ACCREDITATIONS

This year AsureQuality has successfully completed several audits of our own systems these include:

IFOAM accreditation – This allows us to offer IFOAM certification to those operators who are eligible. The IFOAM logo will be displayed on the bottom right hand corner of your certificate if you are certified to IFOAM.

JAS – Japan Agricultural standard. We can offer JAS certification for products wanting to carry the JAS logo for export to Japan. There are additional requirements for JAS certification.

JAS-ANZ – Joint accreditation of Australia and New Zealand. This accreditation allows us to offer this organic certification programme and auditing to our customers.

NZFSA – Ensures compliance with the NZFSA Technical Rules of Organic Production which means we can certify our operators to these standards allowing export to regulated export markets.

USDA NOP – We were audited as part of an NZFSA audit. This enables us through NZFSA to be able to continue to certify to the USDA NOP standards, should the operator meet the USDA requirements which are in addition to the AsureQuality Standard.

CANADA

For companies to export to Canada from June 2009 AsureQuality will need to gain accreditation. We are currently looking into options to achieve this required accreditation so that we are then able to offer it as an option to our operators.

TAIWAN

From the end of January 2009 any product exported to Taiwan will need to be certified by a recognised certification body. NZFSA are currently in negotiations with the Taiwanese to recognise equivalence. IFOAM are also applying for IFOAM to be recognised.

EU ORGANIC LOGO

The EU have finalized an organic logo for use from 1 Jan 2009. From this date products sent to the EU can be labelled if they are certified as comprising

95% or more organically certified ingredients. From 1st July 2010, the EU organic logo will be

required to be displayed on all organic export products to the EU which we certify under the NZFSA Technical rules. In association with the logo will be an indication of the origin of the product. Product produced in New Zealand will either show 'non-EU Agriculture' or an indication that it is from New Zealand. Please bear this deadline date of July 2010 in mind when looking at your printing plan in the future. We will let you know when we have been issued with the logo options and licence agreements.



Technical Update Primary Producers

INPUT PRODUCT DECISION TREE

Please find enclosed a copy of the 'Input Product Decision Tree'. This has been designed to guide you through the process of making a suitable choice with regards to use of input products on your farm along with the requirements of that choice.

For livestock operators this "Input Product Decision Tree" is to be read in conjunction with the new proposed addition to the AsureQuality Organic Standard "Table 10: Substance For Livestock Treatments & Inputs." For Horticulture operators and fertiliser and plant pest controls, Tables 1 & 2 section 10 of the AQ standard will be updated to fit with this decision tree as part of the Organic Standard update in 2009.

Please find enclosed a copy of the new "Input Approval Form", all other forms are available from our website www.organiccertification.co.nz Forms/Permission Request Forms. Alternatively contact us and we can post one out to you.

TABLE 10: SUBSTANCES FOR LIVESTOCK TREATMENTS & INPUTS

Enclosed is the latest version of this document, any future version amendments due to changes or additions of products will be emailed or sent.

TECHNICAL NOTIFICATIONS

Molasses – From 1st of January 2009 only certified organic molasses can be fed to livestock. For farms compliant to USDA NOP the molasses would need to be USDA NOP certified molasses.

Selenium – Wrightsons blue chip Selenium is no longer certified. They are now certified to sell "Red Chip selenium".

Pullets For Egg laying Extension of Derogation

– An extension to the derogation for pullets from conventional sources to come in up to 18 weeks old has been approved until 31st December 2011.

Nitrosol - Nitrosol, Phloline & Nitrosol Peptone Amino - Are no longer certified input products with Biogro. The company who produces them is Rural Research Ltd.

Temporary Variance to use non-organic seed

– An issue has arisen with "prillcoat clover" which is listed as having no insecticide or fungicide treatments but is coated with lime and molybdenum. The molybdenum is likely to have an anti-caking agent, and the lime is stuck on using a synthetic polymer. This means that this coating no longer meets USDA NOP, so farmers must ensure that coated seed is not used on USDA NOP certified land. USDA have advised that if you use seed with coatings that do not meet USDA NOP then the land will need to be reconverted for USDA NOP. Operators wishing to use non-organic seed or plant material must fill out a dispensation Request to seek approval prior to use. This form is available www.organiccertification.co.nz Forms/ Permission Request Forms.

Additional/Replacement stock – If you are unable to source organic stock please seek permission from us prior to purchase. Our approval would be subject to a limit of 10% additional animals under normal circumstances. Therefore as part of your request you need to provide us with stock figures. Use the form 'Import of conventional stock'. This form is available www.organiccertification.co.nz Forms/ Permission Request Forms. If you bring on to your farm annually conventional bulls to finish off mating then permission is not required each year prior to purchase as this is an allowed practice as per AQ Standard section 5.4, 3rd to last paragraph. This is assuming that the bringing in of bulls annually is specified in your organic management plan along with withholding periods to be observed and recorded.

Milk Replacers – Milk replacers from both organic and non-organic sources are allowed for the livestock raised for

the EU market according to NZFSA Technical Rules Table 3, section 2. Only organic milk replacers are allowed for the livestock certified to the USDA NOP standard. For all practical purposes the use of non-organic milk replacers can be considered not acceptable under the NZFSA OoAP if animals or animal products for the US and EU cannot be segregated. Either you feed the calves' organic milk powder or you discontinue with your USDA NOP certification. Organic milk powder is available according to Fonterra but it is not registered and sold as animal feed.

GMO Free Declaration – On our organic website we have started a list of GMO declarations for frequently used products for you to save into your files should you use that product. By us providing this information to you this does not mean that you can automatically use these products. You would still need to follow the 'Input Product Decision Tree'.

LIVESTOCK FEED RULES

As a follow up to last seasons feed shortages it is appropriate to look at the feed requirements which vary depending on whether the animals are herbivores and also the organic standard being certified to.

HERBIVORES (EG CATTLE, SHEEP, GOATS AND DEER)

For both EU Regulations and USDA NOP, animals must be given 100% organic feed. Before allowing stock to graze off the farm you must source the certificate for that land to ensure it has the appropriate level of certification. You must provide young animals with maternal milk or milk from the same species. You need to keep full records of non-pasture feed ensuring you detail the ingredients that make up the feed, where the ingredients are from, whether the ingredients are organic, non-organic or in conversion, the amount you feed and the total dry matter intake.

EU Regulations: You must provide young animals with maternal milk or milk from the same species, so you cannot feed cow based milk to lambs. Once certified, animals must not graze non-organic or first year stand down

status pasture at any time. Up to 30 % of the feed formula of rations on average may comprise of in-conversion feeds. When the in-conversion feeds come from the organic unit, this percentage can be increased to 60 %. It is possible for NZFSA to approve a feed dispensation in the event of extreme weather conditions such as a regionally declared drought.

USDA NOP: All certified livestock must be fed 100% organically grown feed (certified to USDA NOP), which means that feed produced during the conversion period must not be carried over and fed to the fully certified animals. Once certified, animals must not graze pasture of a lower level of certification at any time. You must provide young animals with maternal milk, or USDA NOP certified organic milk (or milk products) from the same species. If a dairy farmer is converting to USDA NOP then 100% organic feed must be used in the 12 months before supplying USDA certified milk.

Recently USDA advised that there is no option for a feed dispensation for extreme weather conditions such as a declared national drought or flood. In the future if a situation was to occur like last summer and animals had to be fed conventional feed to ensure adequate nutrition then the animal would lose organic certification. Therefore farmers are advised to plan ahead to ensure they have appropriate stocking rates, or adequate feed by producing feed on farm, or sourcing organically certified feed. The past season demonstrated how unavailable organic feed is during a drought.

OTHER SPECIES (EG PIGS, POULTRY)

If you cannot source 100% organic feed, then currently up to 10% conventional feedstuffs can be fed to pigs or poultry however this expires on 31 Dec 2009.

After that up to 5% of conventional feedstuffs can be fed between 1 Jan 2010 – 31 Dec 2011. Following that feed must be 100% organic. Up to 30 % of the feed formula of rations on average may comprise in-conversion feeds. When the in-conversion feeds come from the organic unit, this percentage can be increased to 60 %.