



BFA GROUP 2007 AGM REPORT

Celebrating 20 years of Industry Development

The Voice of Australian Organics



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Brief Timeline: 20 Years of Historic Achievements

Early to mid 1980s: Organic producer meetings across the country

1987: Inaugural meeting of the 6 founding families of the BFA

1988: Registration of the BFA as a Co-operative and first Chairman Mr Gavin Dunn

Late 1980s: Industry establishment of Organic and Biodynamic Standards

1991: Establishment of the AQIS national standard for organic and biodynamic produce

1992: BFA accredited by AQIS as an organic certification organization

1994: Second Chairman Mr Arthur Dakin

1994: Launch of the BFA Quarterly Journal

1996: Third Chairman Mr Graham McNally

1997: Fourth and current Chairman Mr Doug Haas

1999: Establishment of new standards setting procedures: Organic Standard Version 2

2001: Integration with the Organic Vignerons of Australia

2001: Launch of the Organic Farmer (later to be named Australian Organic Business)

2002: Establishment of Australian Certified Organic separating certification from BFA's other industry development and representation work

2002: ACO achieves IFOAM, USDA and JAS accreditation

2002: Launch of the Australian Organic Journal

2003: Launch of the Organic Advantage – most circulated industry e-zine

2003: Launch of the Industry Annual Report

2004: The BFA head office moves to Brisbane with the aim of “mainstreaming organics” in the coming decade

2005: 12 Subcommittee Groups are established to represent various industry sectors under the BFA Board

2005: An agreement is reached with Rural Press for Australian Organic Journal to become a more professional publication with double the distribution

2006: Organic Growers of Australia Certified Ltd votes to join the BFA Group, representing smaller growers under the new BFA/ OGA Small Producer Program

2007: Launch of an initiative for the verification of organic products in larger retail stores. Coles is the first to join the program and chooses the Bud logo for labelling of its expanding range of Coles brand certified organic products.

2007: Launch of Australian Certified Organic Magazine (formerly Australian Organic Journal)

Great Foundations And a Great Logo; The Beginnings of Success



By Doug Haas

20 years as an organic certifier within Australia would have been a good and entertaining account that is worth telling. The BFA Group certainly does have a history that is worth documenting, and for others who don't have knowledge of the past, it is certainly well worth the read. As you are able to see, I have left the inaugural and early days of the BFA to be recounted by the founding chairman Mr. Gavin Dunn and his wife Rosemary. Where would the BFA be without the Bud logo, and where would we be without Rosemary Dunn, the lady who designed the Bud? While others have undoubtedly been involved we must never forget the ongoing and unselfish contribution made by Rosemary and Gavin Dunn in those early and difficult years of the BFA.

As with the founding of many representative Groups, from political to primary production or sporting, there are always many countless hours of time and effort contributed if the organization or Group is to be successful. If we refer to statistics it is clearly indicated that the greater proportion of such Groups fail or are unable to reach that first milestone of five years. There is certainly no hiding from the fact that the BFA has found it difficult on some occasions to renew its focus and move forward. However with the true grit of a rural based membership this great organization of today has been able to dust itself off, realign its forces and move forward reinvigorated, with energy and intensified focus.

While the BFA has had a staff and Board that has changed regularly, most of those identities who have passed through the Co-op role of directorships and staff

have given far more to the BFA than they have taken. From the most humble beginnings we now see a Group who owns two certification bodies and has a great team in both certification standards and technical expertise. This is supported and backed by a PR section that some years ago was only a figment of ones imagination. Now with a staff of three our PR Department manages hundreds of thousands of dollars per annum for promotion of BFA, ACO, OGA, the Bud logo and the organic industry as a whole. Our recognition and resourcing is now recognized both domestically and internationally.

BFA was never solely a certifier thanks to our founding members who recognized the requirement of networking with our members and supporters. As we have grown stronger both resource-wise and financially we have been able to take that great vision forward to the strength that we enjoy today. The BFA Group today represents many thousands of members and clients, and while enjoying being chairman for many years I can identify that one of our main attributes has been listening to clients and members (grassroots) which has kept us ahead of other groups and which will never be forgotten. It is this recognition of where this real support and strength is generated that was given to us by Gavin Dunn and his original supporters and has led us to where we are today.

So, on behalf of all of us, thank you to the Dunns and the original founding members, and congratulations to the BFA Group; now representing some 70% of the organic industry within Australia.

“..with the true grit of a rural based membership this great organization of today has been able to dust itself off, realign its forces and move forward reinvigorated, with energy and intensified focus.”

The Early Development of the BFA

By Gavin Dunn

Having been involved with organic and biodynamic farming on our properties for many years we had developed contact with many like-minded farmers, some of whom were supplying stock for our grain processing plant while others were interested in understanding more about grain processing. It was through these interests that my wife Rosemary and I travelled extensively throughout the Eastern States. Through this experience I realised the need for a national organisation incorporating both biodynamic and organic agriculture at a practical level with the purpose of encouraging conventional farmers to consider organic farming principles.

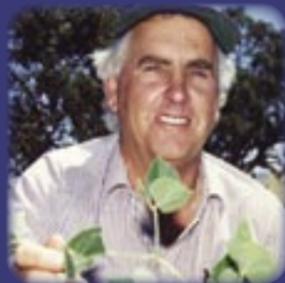
To test the feelings of others with the view of developing these thoughts further I circulated a letter outlining the objects and possibilities that such an organisation could pursue. The recipients to this letter responded with a very positive outlook. Consequently a meeting was organised at a motel in Dubbo on the 1st of February 1987. At this meeting the various issues were discussed. An interesting fact was that most of the farmers' wives were also well involved which later was shown to be one of the strengths of the organisation at that time.

It was decided that an organisation would be formed with the name Biological Farmer's of Australia (BFA) and with the following as directors;

Robin Curtis of 'The Oaks' in Milmerran QLD;
Arthur Dakin of 'Wirrena' in Nyngan NSW;
Gavin Dunn of 'Four Leaf' in Tarlee SA;
John Greenwood of 'Mahonga' in Cobram VIC;
Graham McNally of 'Kialla' in Greenmount QLD;
Bernie Von Pien of 'Herewood' in Dalby QLD;
and David Williams of 'Demeter' in Breeza NSW.

I was elected Chairman and Arthur Dakin elected as Secretary/ Treasurer.

Our first real event was a field day held at Graham and Sandy McNally's property 'Kialla' near Toowoomba, Queensland. This was just an unbelievable success with over 1200 people attending. The ABC who intended only conducting several interviews before the event



ended up staying for the full day. This field day put the BFA on a sound footing with TV and other considerable press coverage.

At the time several directors were either involved in processing or exporting wheat. There was concern that all wheat sold had to go through the Australian Wheat Board (AWB). This was expensive as well as working within a very bureaucratic system. The Federal Government was developing a new Act for the AWB to operate within. They had requested the "Industries Assistance Commission" take submissions and make recommendations for the new Act. The newly formed BFA put in written submissions and also appeared before the commission. This was our first step into agro-politics which was very well received and successful.

The primary reason for the BFA's formation was to promote the advantages and principles of organic and biodynamic agriculture and assist its members where possible. A certification program was not considered in its early stages however soon questions were asked as to why the BFA was not involved in developing a program in conjunction with our main activities. From memory our initial standards were only a few sheets of paper printed both sides. This soon changed. As our certification program progressed it was the knowledge and ability of David Williams that truly developed this side of the BFA.

Together with a certification program, the directors maintained that we must have a very identifiable logo. We sought the services of two graphic artists to come up with appropriate designs, which ultimately were considered unsuitable. It was my wife, Rosemary, while doodling in front of the TV one evening that came up with the Bud logo that we now know so well. I well remember being called over to look at the design that she had sketched.

There was a strong feeling within the Board of the importance of publicity. We were very active in producing press releases, holding field days and other forms of marketing. A very successful part was bringing quali-



Above: First field day of the BFA with attendance over 1200
Top left: Debra Swan, Secretary with Gavin Dunn, inaugural Chairman. Debra was the first paid employee of the BFA.
Top right: Interview at Kialla at the first BFA field day

From Back/top L to R- Doug von Pien, Ross Dakin, Bill A'Beckett, Bernie von Pien (Director), Graham McNally (Director), David Williams (Director), John Greenwood (Director), Gavin Dunn (Director), Robin Curtis (Director), Front/bottom row L to R- Margaret Curtis, Helen Williams, Rosemary Dunn, Di A'Beckett, Katherin Dakin, Davina Greenwood, Cameron Greenwood
In Front/sitting- Arthur Dakin

speakers from the U.S.A. for lecture tours. John Reganold from Washington State was the first, speaking at BFA conferences in Queensland, New South Wales and Victoria. These tours were financially rewarding, as well as gaining us a very large supporting membership.

The Federal government became aware of the requirement for some co-ordination of Organic Certification systems here in Australia, particularly for export. The Hon. John Kerin invited the BFA and others that were also involved in certification to a meeting in Canberra. This developed into the 'Organic Producers Advisory Council' (OPAC). The BFA were strong supporters of OPAC.

Another factor that assisted the BFA was our association with a publishing business with a publication known as "Eco-Age". This paper gave BFA good coverage. However, more importantly, this business held two very successful conferences; one in Brisbane and another in

Melbourne where the BFA played a major role.

Arthur Dakin carried out the secretarial duties until the task became too great. Davina Greenwood then took on this role. I still recall the real milestone when we were able to employ Debra Swan as a full time secretary.

On reflection, it would be interesting to know what those early days cost each Director personally. I just do not know how we had the time to accomplish what we did. It is with gratification that I look back on how we worked together within a responsible, well-planned program to develop the BFA.

From the time of circulating my original letter to the writing of this one 20 years on, it is rewarding to see such a successful organisation evolve from the foresight of the original seven families.

"Together with a certification program, the directors maintained that we must have a very identifiable logo... It was my wife, Rosemary... that came up with the Bud logo that we now know so well."

BFA Group Chairman's Report, 2007



“In today’s world many businesses do not survive beyond the three year milestone let alone enjoy a success comparable to that of the BFA Group.”

By Doug Haas

To have the opportunity to deliver the Chairman’s annual report of the BFA for 2007 is indeed an honour and a pleasure to say the least. This year the BFA is passing through that milestone of 20 years of being in business. Being a group that is representative of mainly primary producers with a constitutional provision that the Board has to have a majority of primary producers and being wholly owned by a co-operative; it is truly an amazing feat that all of this has hung together for this long. In today’s world many businesses do not survive beyond the three year milestone let alone enjoy a success comparable to that of the BFA Group.

For those of you who are not familiar with my history, I first became involved with BFA as a farmer in 1992, and for the next 4 years enjoyed a low profile in the Group. However, in 1996 I was asked to be the facilitator at a Special General Meeting of the BFA in June of 1996 at Dubbo. (A Special General Meeting is often the case when members/ share holders are not happy with the performance or direction of the Board at that given time.) On that occasion and after considerable persuasion, I enjoyed joining a new Board as a Director. In 1997 I became Chairman and tabled my first report in that year, convincing members that while the future of the BFA did not seem strong, in actual fact quite grim, I had the capacity to turn the situation around.

It was not long before I realized that the BFA was simply starved for funds and needed better resourcing both financially and with skilled staff. At this time we had a staff of only two, and finance was desperate. However we were able to change a large loss into a substantial profit within a period of some 12 months. As profits grew we were able to increase remuneration packages which in turn attracted staff with higher skills. This in turn was the beginning of better service to clients and within a short period of time we had witnessed a significant turn around in acceptance of the BFA followed by unprecedented growth which in turn created some substantial growing pains.

My first truly difficult task in convincing Board was when I insisted on the employment of three key staff: Dr Andrew Monk, known as the Good Doctor, Mr Quentin Kennedy known as Kennedy, and Miss Suzi Moore known as Suzi. Suzi was responsible for the development of all

PR and performed beyond all imagination with her unselfish generosity while always insisting that the job be done properly. Quentin brought to the BFA a form of professionalism and business acumen unknown to the Group before his arrival, and with his passion and focus on customer focus we had to move forward at a great rate of knots. Some of us are still pondering as to what Andy actually did. It was a case of now you see him and now you don’t. However, in actual fact Andy brought to the Group, with the assistance of Quentin, IFOAM, USDA NOP and at a later date with the assistance of Akiko Nicholls the JAS program. These are probably some of the most stringent accreditations that any certifier could hold.

Akiko continues to work with us today and is an extremely valuable person in the ACO team. While she may well be the overall manager of certification, her knowledge of overseas equivalence is second to none.

Andy, in addition to overseas accreditations, brought a far more professional BFA Organic Standard, was responsible for training and the registration of auditors, and took responsibility for carrying out the separation of certification into a new group, Australian Certified Organic (ACO). We also must not forget that it was Andy who thought of the name “Australian Certified Organic.” The inputters suddenly took on a more professional shape with Andy’s assistance. Their ongoing support of roadshows in the form of sponsorship and presentations is very much appreciated as it is this group that makes our roadshows a reality. These items all added to Andy’s achievements in a matter of only a few years.

As the full impact of Suzi’s professional approach of PR took affect, strong and continued growth was continually being experienced in a form that we never would have imagined. It wasn’t long before Board took the difficult decision to relocate to Brisbane having both difficulties and pain in doing so. The move allowed us to make that quantum leap into mainstream organics allowing easy government and media access which assisted in widening Australia-wide member access.

It should be remembered that our present office is only minutes from both the Brisbane domestic and international air terminal. The disappointment for me was

that Quentin was unable to make the move, however Quentin has now moved onto a better opportunity which further supports my respect for him as a businessman. My true gratification came three years ago when I was able to welcome Quentin as a Director to the Board.

With professional staff and representatives firmly in place and a Board that consisted of both skilled and successful business people I was able to move forward with the integration of certifying body the Organic Vignerons of Australia (OVA) into ACO. This was our first very successful attempt in having another certifier integrate with the Group.

With this achievement behind us and witnessing as to how successful that integration had been, this allowed Mr. Howard Rubin of the Organic Growers of Australia Certified Ltd (OGA) and myself to evaluate the possibility of the OGA being part of the BFA Group. In mid 2006 the OGA took the decision that while retaining their own identity they would become a wholly owned subsidiary of the BFA Group. While some sections of industry were nervous and others as usual took a negative approach, the important point to remember is in some 450 – 500 OGA members, the linkage of these members with other certifiers has been minimal.

The larger grower members of OGA who wished to be involved in the export stream, have simply moved to ACO, while the remainder of the Group simply requires integrity, local market access and to remain a part of OGA which now is totally a small growers scheme. The OGA certification allows growers to enjoy a cost effective certification which simply cannot be matched by others.

The BFA Group has returned to a healthy and strong profit, and while the cost of certification to our ACO clients has increased over the years, it should be noted that during my association with BFA, levies have continually been reduced; now being at the lowest cap ever. As we slowly restructure and continue to attract funding from other sources, it is my intention that levies are reduced even further.

At this present time the BFA has many staff, our certification costs are competitive, levies are at an all-

time low, hundreds of thousands are being spent in the area of PR, customer service is higher than ever and roadshows will be at their highest number ever in the calendar year of 2008, which all indicates to me that the Group is being run competently as a business.

Since the 2006 AGM, the BFA Group has been continually well represented for government activities and forums. This comes at a financial cost and a cost to those directors who have given generously of their time. As your Group becomes better resourced we have taken it upon ourselves to enlist the services of Mr. Graeme Stratford, chartered accountant, a former partner of the well-respected Price Waterhouse Coopers, to ensure that the BFA Group is responsible with staying compliant with cooperate requirements and responsibilities. This has removed the responsibility from either day to day management or the company secretary.

During recent times Board has reviewed the Group’s Strategic Business Plan. I was firmly of the opinion that we should first of all familiarize ourselves with the OFA business plan which has only recently been released and to have the expertise of our new general manager involved in such a discussion group. The group involved in the planning will involve key stake holders and Board Directors. All other interested parties are invited to tender their views and suggestions whether they are a few simple lines or a submission of some pages.

The year’s performance of ACO will be presented by the Chair of ACO, Mr. Ewan Colquhoun, as will the performance of OGA be presented by OGA Chair, Mr. Howard Rubin, however I am proud to announce that once again the overall Group shared in a very successful year.

I believe that this coming year the Group will be even move successful with rolling out a whole new program of diversification which will continue to ensure its ongoing success.

I have thoroughly enjoyed my many years representing the BFA and in tabling my report in conjunction that of ACO and OGA, I would like to thank my Board and our staff in ensuring the overall success of the Group.



“The Group’s PR continues to mature as it moves to keep pace with the large strides forward made by the Group itself”



Australian Certified Organic (ACO) Chairman’s Report 2007



By Ewan Colquhoun

Australian Certified Organic certifies around 55% of enterprises in the Australian organic market servicing around 70% of products on retail. In the last year the company has achieved a trading surplus and identified a number of new initiatives that we will pursue in the next year.

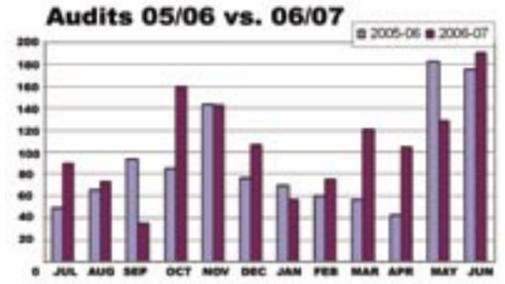
Surplus

The company recorded a surplus before tax of \$99,000 for the year, compared to a budget of \$21,000, and a loss in the 2005-06 year. As flagged at the previous AGM, volatility in the timing of audits from year to year has contributed to this year’s result, but staff and management are to be congratulated for a diligent and professional performance.

Revenue

The company conducted 1280 audits for Australian clients (plus 20 overseas audits) across 4 audit streams:

- AQIS
- USDA National Organic Program
- IFOAM - International Federation of Organic Agricultural Movements
- JAS – Japanese Agricultural Standard.



In total revenue increased 19% over the prior year, to \$1.35 million.

The increase was due to strong growth, apart from severe drought, in the organic and biodynamic industry, and recovery of a small number of delayed audits from the previous year. Additional income was also generated from consulting services provided to the New Zealand certifier Bio-Gro and for product integrity services provided to national supermarkets.

Expenditure

Overall expenses for the year were 14% higher than budget, but due to the greater number of audits the average cost per audit fell slightly.

Review of organisational arrangements and a restructure of staff positions and employee benefits to reflect new responsibilities resulted in a more efficient office.

Accreditations with the three overseas agencies are central to the success of the business, but these together cost \$55,000 per year. The company has made a clear decision to offer certification coverage across these three major export markets as part of our strategy to be the leading certifier in the Australian organic and biodynamic market. We are, and will continue to actively promote these and other accreditations to the market place.

The company is soon to clarify its outstanding position regarding a contingent tax liability, and directors have conservatively provided a reserve of \$33,000 from current profits to cover this unlikely event. We anticipate the Not-For-Profit status of the company will be confirmed shortly and the provision can be written back.

Outlook

ACO looks forward to a positive year in 2007-08. Although there are new professional competitors entering the organic certification market, your certifier is well placed to identify new market opportunities for clients while cost effectively managing certification services. Directors will continue to seek additional external service opportunities which leverage the strong skills of our staff, our leadership positioning in the certification market, and create new alliances and growth opportunities. The forthcoming regional rollout of our on-farm food safety program is a current example of ACO efforts to better link farm production systems to retailer and consumer needs.

The next 12+ months will see a realignment of the base standards against which we certify, and possible completion of the national domestic standard by Standards Australia. We will continue to pursue outcomes that align our accreditations and standards with key market and consumer expectations while protecting the commercial interests of Australian supply chains in the domestic and global market.

Organic Growers of Australia Certified P/L (OGA) Chairman's Report 2007



By Howard Rubin

The recent merger of OGA Certified Pty Ltd (OGA) with the Biological Farmers of Australia (BFA) was completed in February of this year. The former OGA Lismore based office stayed open until the end of the financial year to allow for a smooth transition to the merged offices in Brisbane. With a few minor hiccups, we can confidently say that the merger has been a success.

There was of course some industry opposition to the merger. Particularly because OGA, which has always represented the small grower, would move away from the AQIS export program and only service the Australian market. OGA saw this opposition peter out whilst it remained focused and performed steadily in accordance to its business plan.

As indicated to all OGA clients the merger was to be a smooth transition, and all who have provided feedback have been very satisfied with the results. Most of those clients who are small producers (approx 85% of OGA clients) opted to join the new program developed by the merger; the BFA/OGA Small Producers' Program. The criteria to remain with the OGA program included a farm income of less than \$50,000 from sale of organic products and no export of organic product. (This dollar value was based upon the government's cut off for earnings for GST exemption). Most of the former OGA clients who export or grow large amounts of crops moved into the Australian Certified Organic (ACO) stream without any difficulties.

At present there are 406 clients currently certified in the OGA Small Producers Program. Anna Campbell oversees current and future applicants of the program. Anna is making an admirable effort fielding all the enquiries, which come at the rate of 60 calls per week. Supported by Chris Hurwood, they make a great team. Anna recently attended the Organic Expo in Melbourne, on behalf of OGA, and she has returned with many new applicants.

The OGA Small Producer Program is in fact the very first organic certification program especially adopted for the Australian domestic market. It is an industry first. Well done to the Boards of both the BFA and OGA in making it a success.



BFA Group Finance Report for the Year Ended 30 June 2007



By Ross Cowling

It is pleasing to report a very strong performance for the BFA group for the year ended 30 June 2007 with a consolidated profit before tax of \$203,810. This represents a remarkable turnaround on the previous year's group loss of \$180,193. (NB a writedown requested by the auditors for BFA levy income in the year ended 30 June 2006 was collected in the year ending 30 June 2007 and had the effect of overstating the loss for 2006 and likewise the profit for 2007.) Adjusting for this abnormal gain in 2007 still shows a very healthy profit.

Group results were as follows:

Profit 2007

Biological Farmers of Aust Co-Op (BFA)	133,228
Australian Certified Organic P/Ltd (ACO)	98,682
Organic Growers of Aust P/Ltd (OGA)	-28,100
	\$203,810

The auditors have requested a provision for taxation be provided in Australian Certified Organic P/Ltd of \$32,585. It is expected this amount will not need to be paid and will be transferred to accumulated profits in 2008.

The better than budgeted result from the BFA Co-op was largely due to increased revenue from levies, which is a great outcome considering the severity of the continued drought affecting many of our certified clients.

The wholly owned subsidiary ACO traded strongly with revenue up considerably for new certified clients which bodes well for the future and continued growth of the industry as a whole.

The newly setup OGA, also a wholly owned subsidiary, recorded a loss of \$28,100 as a result of some one off setup costs and a slow down in certification as a result of the changeover.

The group goes into the 2007/8 year in a very strong financial position. Cash reserves have doubled to \$383,996 over 2006 giving the group a much improved net asset position.

The year ahead, building on a sound 2007 performance, looks promising however considering the continuing drought the directors have drawn up a conservative group budgeted profit of \$152,501 with emphasis on containing costs, the implementation of a new computer system and looking for new revenue streams to diversify the business.

PR Annual Report

By Holly Vyner

It is a pleasure to present to you our Public Relations report just as it has been a pleasure working with the Group over 3 years in developing the BFA's presence and services. The Group's PR continues to mature as it moves to keep pace with the large strides forward made by the Group itself.

Publications

Our PR department currently produces approximately 12 print publications and 26 e-mail publications each year.

At times, members have suggested to me that we are preaching too much to the converted however I believe that we have jumped that hurdle now.

Apart from updating our members with news and assisting with facilitating trade these publications provide the press with articles which appear nationally and internationally in every type of media imaginable from women's magazines to rural publications and more.

Through our linkages with Rural Press we have reached a mainstream audience of over 100,000 every month. This incredible readership is achieved via our monthly Market Xtra pages in staple rural newspapers including The Land (circulation of 52,530), Queensland Country Life (circulation of 40,200), Queensland Smart Farmer (circulation of 22,000), and distribution of the Australian Organic Journal of which 3,000 copies every quarter have been circulated nationally to subscribers of popular Rural Press publications such as Australian Farm Journal.

Starting this financial year, our popular Journal has undergone a refurbishment including a name change to Australian Certified Organic Magazine (ACOM). The benefits of working with our new publisher Custom Publishing, producer of well regarded publication CleanFood Organic, run far deeper than the "new look" cover. As well as an improved presentation, greater editorial support from an experienced publisher is assisting with a fresh approach to content; we are reaching a greater audience of certified organic operators, and have obtained a new belt of opportunities for circulating the magazine to mainstream farming and other businesses for educating and increasing subscribership. The launch edition of ACOM continues to receive extremely positive feedback.

Australian Organic Market Report 2007

For several years a comprehensive Australian organic market report has been awaited to identify and plan for industry growth. In order to address this lack of industry information the University of New England (UNE) on behalf of the BFA are conducting a survey to document and report on the size and scope of the Australian organic domestic and export market. The results from this annual survey will be published in the Australian Organic Market Report 2007 to be launched in early 2008. The Report has sponsorship from state governments and others and promises to be a brilliant new resource for assisting industry grow sustainably.

Media watch

Recently the organic industry has been receiving some backlash from media. The BFA is running a campaign entitled '20 reasons to buy organic'. At least 10 media releases are being distributed before the end of 2007 expanding on health, environmental and other reasons for supporting the BFA in its mission to have organic food sales grow to 10% of the food market in Australia by 2020. The BFA while it does respond to media criticism prefers not to overly engage in the attacks, rather keep to its own positive path for delivery of a constant flow of beneficial organic news items.

Roadshows

Our roadshows have had an excellent attendance of over 100 people in every region this year. They are an exceptional opportunity for all of industry to keep networked with others and informed with updates from all sectors. Next year new resources will see a greater number of roadshows organized than ever before.

Going forward

The PR Department has recently increased its staff resources two fold! The addition of Adam Birkby as Communications Officer and Jaime Newborn as Marketing Officer this financial year is already assisting the Group to achieve projects which we have long only dreamed of for increasing member benefits, obtaining new revenue, enhancing the professionalism of communication materials such as brochures and providing more regular press releases.

Organic Standards Setting Subcommittee Annual Report 2007

By Dr Andrew Monk

"Common sense and common good in standards setting"

Key points:

Updated BFA (member owned) Australian Organic Standard (AOS) due mid 2008
Proposed base standard (Standards Australia) to replace the base AQIS (OIECC) standard due end 2008

- A new version of the Australian Organic Standard (AOS) is due early to mid 2008. This standard covers both programs (ACO and OGA certified): ie there is one standard for compliance;
- Drafts of this will be out for industry comment from early next year: comments are still being taken now on the current draft and Subcommittee submissions are being reviewed;
- Members' best first avenue is to engage in standards issues via their own sector BFA Subcommittee/s. The Chairs of these Subcommittees then report this onto the Board of the BFA and/or the Standards Subcommittee;
- ACO, via the AOS has in place a recognition program to enable processors, wholesalers and retailers simple access to as wide a range of organic products as possible while maintaining organic integrity via equivalence programs and technical review. This continues to grow in popularity and is delivering better certainty and simplicity in the marketplace;
- BFA, via ACO and OGA, continues to offer certification to the AOS as well as to the range of export market requirements (listed in the Annex of the AOS): USDA (NOP); JAS (Japan); EU (AQIS); as well as smaller markets (OGA small producer scheme) and marketing requirements (eg IFOAM/IOAS), Quebec, Korea, etc. Farm Food Safe certification is also available, having been a part of the AOS for 6 years;
- BFA is resolutely focused on ensuring that sensible standards setting and regulation are



maintained for industry members, and not allowing international markets and their often conflicting requirements to destroy whole organic sectors in our Australian industry;

- BFA is aware that while there have been calls to have one single standard, that this often naively does not recognize the complexity of not only international regulations (and imported and re-exported products) but also the needs and diverse market realities of processors, retailers and producers in the Australian context. The key is to manage equivalence programs across regions which BFA via ACO does on a daily basis;
- The AOS has, and will remain, the leader in standards setting in Australia and the region. As an example, the AOS has had cosmetics standards for some 6 years now – it finally now being added to the AQIS national standard. Similarly for aquaculture, silviculture, mushrooms, etc.
- The reality of standards setting in Australia is that there will remain a critical need for BFA to continue to lead industry in standards and regulations setting and to ensure that standards remain in industry members' hands and remain with the interests of industry and the broader stakeholder community of organics in mind. BFA continues to work diligently to ensure this.

Broader Industry and Standards and Regulation Issues

- Plans to move the base standard from AQIS to Standards Australia (SA) are progressing and now have the support of BFA, conditional of the following as has always been the case:
- Plans to move the base standard from AQIS to Standards Australia (SA) are progressing and now have the support of BFA, conditional of the following as has always been the case:
- BFA has been leading industry in insisting that certification is mandated in any new organic standards and regulations. This is now noted as a critical issue to ensure resolution on prior to re-

lease of any new base standard. This view is shared by ACCC among other key players. This vindicates BFA's firm leadership stance on these issues;

- BFA is working hard to ensure that its members' interests are catered for in any changes to a base standard. This has clearly not occurred effectively with the OIECC/AQIS standard for some sectors over the past 2 years. BFA in concert with ACO and OGA are working to correct this;
- Whatever the case the simplicity of the AOS and related Bud certification through ACO plus the OGA Small Producer Program option continues to win market support and will continue to be the main standard referenced in the coming years as the industry grows, demanding market simplicity and clarity in labeling that is popular with the consumer.

Due to the size and nature of the BFA, which is member owned, large and transparent in its democratic processes and consultation processes, such issues will remain resolutely in industry members' hands as long as industry members remain engaged with the issues and, working through BFA's Subcommittees, ensuring effective representation of your own sector/s.

The BFA has a very proud and long tradition of democratically representing its members. With some 70+% of certified operators, and even a greater percentage of overall members of industry, it is unique in having a direct link to members. It is this link that has always been our strength in standards setting. It ensures we hear from industry about its needs, concerns and interests, and we are bound democratically to take those interests on board and react to them. And in case you think this is unique in the world, this is exactly what occurs in the UK with the similarly structured UK Soil Association, with a similar share of industry clients and members (see www.soilassociation.org.uk). So we welcome ongoing member feedback and response to issues relating to standards and regulations, and to BFA policy positions.

BFA Standards Policy Position

- BFA supports the updating and enhancing of a base standard that would have either regulatory and/or ACCC "bite" in the Australian marketplace;
- Any such standard must mandate certification and needs to accommodate the interests and needs of the diverse Australian specific organic sectors that we have (which the AQIS system is currently failing to ensure) to win broad support and use as a base standard;
- Ongoing proper and sufficient resourcing of the certification and standards setting sector

by industry is vital to ensure the ongoing maintenance of organic integrity in the marketplace. This includes resourcing to conduct unannounced produce tests and audits of operations. Talk of "cheaper certification" and more "competition for certification" conflicts with calls for years to rationalise the number of certifiers in Australia, while maintaining choice in the marketplace. BFA and its certification subsidiaries are not for profit and are owned by industry members, with all funds being returned to regulate, protect and support the organic sector;

- The BFA supports the UK market model, which is one whereby there is a base (in this case government legislated) standard and then the main regulatory group (in this case UK Soil Association) sets their standard to this with additional criteria and rigour to protect their brand and to lead the organic sector. The UK market has a numbering system for recognized accredited certifiers in this market;
- The BFA questions the sense in having an additional brand or logo in the marketplace during a time when there is logo harmonization occurring, which is market and industry driven, with the Bud logo now becoming synonymous with organics in Australia.

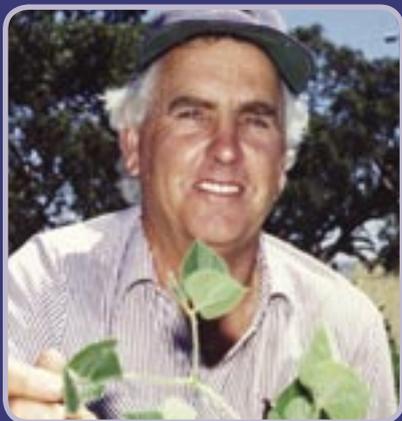
What can organic sector members best do in relation to standards and regulations?

Firstly educate yourself about these issues and attend future BFA Organic Roadshows in your region. Secondly do become involved in the latest BFA organic standard development and feedback process to ensure you remain involved in, and act as the owner of this standard. (As a BFA member you own the Australian Organic Standard). The best conduit for this is via your sector/s Subcommittees (e.g. Cosmetics; Livestock; BioNutrients; etc) The BFA will also be a conduit for communicating on the base organic standard draft and feeding member comments back into it (expected through the second half of 2008).

Organic businesses and organic consumers are counting on our concerted efforts to maintain the integrity of organics and to protect it from antagonistic elements that care not whether we succeed or fail. Standards and regulation (certification) is a process and not a place (i.e. we can't rest on our laurels) it is a daily chore that with diligence ensures our principles and aims for this organic food and farming movement are both protected and realized. Your input counts as it is your standard: the way it should be.



“..there will remain a critical need for BFA to continue to lead industry in standards and regulations setting and to ensure that standards remain in industry members' hands..”



Gavin Dunn
'Inaugural Chairman of 1987'

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