

This submission is provided by the Australian Dairy Industry Council (ADIC), the peak national representative body of the Australian dairy industry, representing the interests of dairy farmers and processors through its two constituent bodies Australian Dairy Farmers (ADF) and the Australian Dairy Products Federation (ADPF). We have consulted with members of ADF, ADPF and Dairy Australia (DA) in its development.

Dairy is the fourth largest Australian rural industry and a key sector of the agricultural economy. Approximately 3% of Australian dairy farms are currently certified as organic, with an additional 2% of farms considering certification¹. Australia produces 0.7% of global supply of organic milk, with potential to expand.² Organic certification brings a price premium for milk.


In terms of standards and certifications for organic products, the **cost and time of the audits required to access export markets is the number one issue for organic dairy farms and suppliers**, where processors are required to undertake additional on-farm organic audits for markets which don't recognise current Australian arrangements. This adds significant cost for farmers and processors and is a barrier to both expanding trade in export markets and growing the number of certified Australian dairy farms. The issue of counterfeit products or consumer confusion is considered less of an issue, partly because processors ensure compliance of their farm suppliers to the various organic standards.

Given this, **the dairy industry seeks an outcome that provides a pathway securing equivalence of domestic organic certification with certification required by export countries**. This outcome appears best achieved through the option to develop a **'Mandatory domestic organic standard enforced through a new Commonwealth legislation'**. This will reduce the number of audits that farmers and processors are required to undertake, and significantly reduce the cost and administration of organic certification. This has clear business benefits for organic dairy farms and processors and would encourage further farms to take up a path to certification.

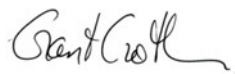
Support for this option is conditional on further advice regarding the detailed implementation, which has not yet been adequately addressed in the current regulation impact statement (RIS). Specifically, implementation must be less costly than undertaking the additional audits currently required. Additionally, the cost of certification must be commensurate with the price premium received for milk. If the cost is too high, the price premium may not be sufficient to make certification worthwhile for farmers.

We look forward to discussing the matter of domestic organic regulatory reform with you further, and if you have any questions please do not hesitate to contact myself, Grant Crothers, or Megan Hill, Policy Lead NRM at Dairy Australia at megan.hill@dairyaustralia.com.au.

Yours sincerely,



Rick Gladigau
Chair
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Grant Crothers
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¹ Dairy Australia survey data (unpublished)

² [Link](#)