

Knowledge Tree

AS 6000 and National Standard in the Supply Chain

Version 1

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Introduction

Southern Cross Certified (SXC) offers certification to several different organic standards, two of which are AS 6000 – Organic and Biodynamic Products (AS 6000) and the National Standard for Organic and Bio-Dynamic Produce (National Standard). It is important to understand how certifications to the AS 6000 and National Standard standards interact.

Certification to AS 6000 is designed as a cost effective option to be used by those operators who sell into the domestic market only.

In order to export goods as certified organic, the Australian Department of Agriculture, Water and the Environment (DAWE) has mandated the use of the National Standard. The DAWE has also mandated that in order to export anything as certified organic from Australia, every actor in the supply chain must be certified to the National Standard.

This means that product certified to AS 6000 can never be <u>exported</u> from Australia as certified organic.

To complicate matters, the DAWE does not consider products certified to AS 6000 as equivalent to the National Standard. However, SXC considers that for most products, National Standards certified products are equivalent to AS 6000 certified products.

This means that if you are an AS 6000 certified operator, you can use National Standard certified ingredients or inputs. But a National Standard certified operator <u>cannot</u> use AS 6000 certified ingredients or inputs.

The Q and A section below is an attempt to clarify the different interactions that you may confront.



If you are ever unsure of the status of AS 6000 and National Standard interactions, then please call Southern Cross Certified to discuss your situation.

Q and A

In the diagrams below, NS refers to operations that are certified to the National Standards, AS 6000 refers to operations that are certified to AS 6000.

Can I sell AS 6000 products to uncertified Retail Outlets and Markets?

Yes. In Australia, retail outlets (including places such as restaurants and markets) do not have to be certified in their own right to sell produce as certified.



Which Processors can I sell AS 6000 products to?

In order to sell product to a processor, and for that processor to be able to sell the processed product as certified organic AS 6000, the processor must be certified to AS 6000.



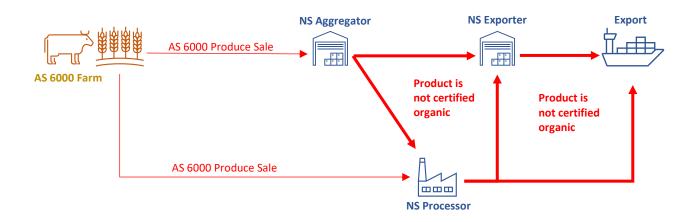
As an AS 6000 processor, can I accept National Standard certified ingredients?

Yes. As SXC considers National Standards certified products to be equivalent, you can accept National Standards certified ingredients as suitable for use in AS 6000 products.



Can I sell AS 6000 products to Organic Export Supply Chain operators?

No. AS 6000 is not compatible with exporting organic goods from Australia. This means AS 6000 certified operations cannot export directly and cannot supply to anyone who makes products that are to be exported. Consider some typical supply chain scenarios:



Can AS 6000 products be Sold to National Standards Certified Processors?

No. This is because in order to sell anything as AS 6000, all actors must be certified to AS 6000, and the DAWE does not consider AS 6000 as equivalent to the National Standard.

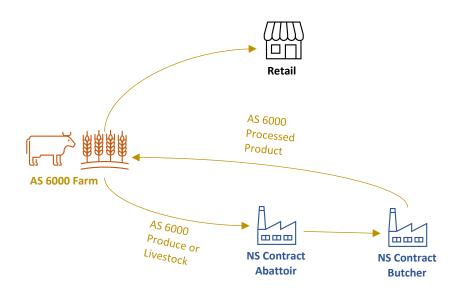
Consider a farm producing livestock:



However... AS 6000 products can be contract processed by a National Standards certified processor. See below for how this can work.

Can AS 6000 products be Contract Processed By National Standards Certified Processors?

Yes. Consider the scenario where the farm operation may wish to outsource some processing of their produce, to then sell to the public or the retail outlet. An example would be a livestock producer who wishes to contract process the animals to bring back the finished meat products in a form where they are ready to sell from their farm gate, into Farmers markets or direct to consumer.



But....

The National Standards Contract Processors must keep all of the AS 6000 product from the farm separate to all other types of goods they process. This can mean that the NS Contract Processors may not want to process AS 6000 produce due to the increase in complexity for their operation.

Standards Comparison

Choosing the correct standard depends on where you intend to sell your product, and in some cases, what the buyers of your product intend to do with it. A standard is a document that specifies the rules for organic production.

Standard	Who Should Choose	Export Possibilities	Examples of Who Should Choose
AS 6000	Good for those who want to sell directly to consumers or retailers, or for those who sell to customers they know do not export. If you are unsure, it's a good idea to consult your customers to understand their export needs before making a decision to use AS 6000.	None	 Farmers that sell directly to supermarkets. Farmers that sell to wholesalers that sell to supermarkets. Farmers who sell at farm gate or markets. Wine makers who sell at the cellar door. Grape growers who sell grapes to wine makers who sell at the cellar door. Restaurants. Processors who make products for cafes and restaurants.
National Standard	If you or your customers export certified organic product, you must choose this standard, as a minimum. This is because the Australian Department of Agriculture, Water and the Environment regulates exports and requires you to be certified to this standard if you export certified organic products. If you want to sell product to the US, EU or China, you must be certified to this standard as well (because this is the standard that allows you to export in the first place).	Unregulated markets* Plant and processed plant products (except wine) and seeds may be exported to the EU.	 Wine makers who export wine to unregulated markets or who sell to customers export to unregulated markets. Growers who sell grapes to wine makers who export to unregulated markets. Growers who sell to processors who export. Livestock & dairy producers who sell products to companies that export to unregulated markets. Seedling producers that sell to growers who sell to exportersand so on.

* Unregulated Markets are like Australia, where there are no controls over the use of the term "Organic". Anyone can produce a product and put "Organic" on it and this is considered legal.

A Regulated Organic Market, such as the US, is where product that is to be sold as Organic, <u>must be</u> certified to that country's nominated organic standard.