

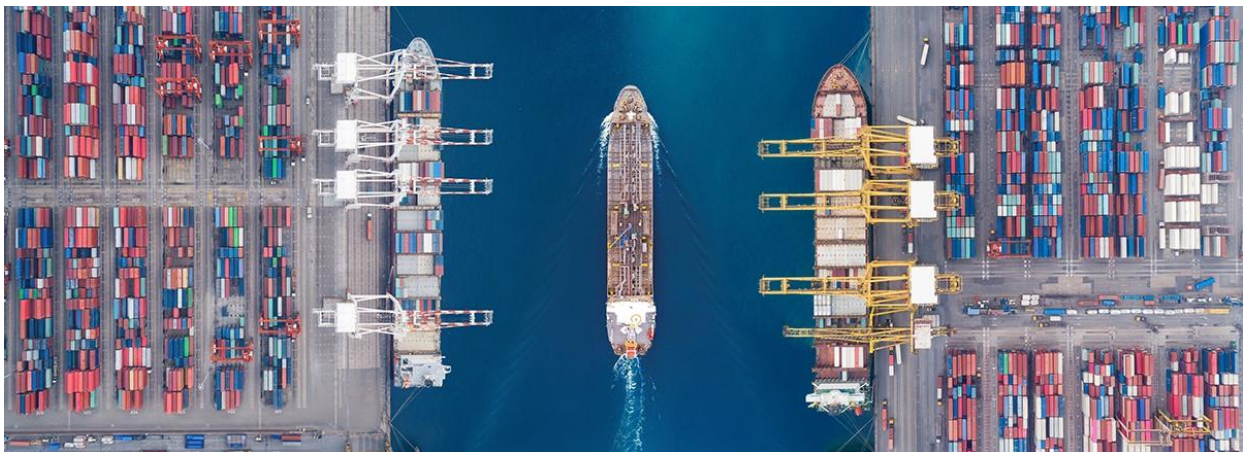
Dear NCO Operator,

The October 2020 NASAA Certified Organic Technical Communique contains a range of information designed to assist you in navigating your certified organic requirements, and the many changes that are currently taking place. Please take the time to peruse the articles below and if you would like further information on any area covered please do not hesitate to contact the [NCO office](#). We are always pleased to assist you and welcome any feedback.

Please make particular note of the information relating to the opportunity to provide feedback to the DAWE regarding proposed changes to the Export Regulations, consultations are open until 5 November 2020. Public consultation is also open for the USDA NOP Proposed Rule until the 5 October 2020. Links to the sites for submitting comment are contained in this communique.

Best wishes for the health of you and your families.

Tammy Partridge
General Manager
NCO



Export News

As of the 1st of September the Department of Agriculture Water and the Environment (DAWE) have implemented the new EX1400 OPC template for all exports, as a result of negotiations for the new Japan Livestock Equivalency Agreement. This means that the former EX3199 template is no longer allowed to be issued by NCO.

If you are unsure if you have the new template or have any questions regarding the template please contact the exports team at exports@ncocertifiedorganic.com.au

The DAWE have also recently released tranche one of the Exposure Draft Export Control Rules 2020 (draft Rules) for consultation with domestic stakeholders and international trading partners. As you will be aware, the improved legislative framework for Australia's agricultural exports commences on 28 March 2021. It will comprise the *Export Control Act 2020* (the Act) and the Export Control Rules 2020. The draft Rules set out the operational requirements that must be met to export goods from Australia. Once finalised, the Rules will replace the existing regulations and orders and they will give effect to the Act.

The department is currently seeking your feedback on the draft Rules included in tranche one - eggs, fish, meat, milk, organic goods, plant and poultry.

Consultations are open until **5 November 2020** and your feedback will help ensure that the Rules are clear and fit for purpose when they commence.

Please email the team at exportlegislation@agriculture.gov.au, if you have any questions about this consultation process.



JAS Organic Equivalence arrangement for organic livestock products and organic livestock processed foods (2020-02)

The Japanese Agricultural Standard (JAS) for organic livestock products and processed foods changed on the 16th July 2020 from a voluntary standard to a mandatory standard.

Livestock products affected by this change include meat and livestock products derived from the following domesticated animals (bovine, equine, ovine, caprine, porcine) and poultry. Honey and fishery products are not currently included under the JAS Standard.

DAWE conducted negotiations with Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) to reach an equivalency arrangement to recognize the Australian export regulation for organic livestock products and organic processed livestock foods. The equivalency arrangement took effect on the same day the JAS law took effect (16 July 2020).

For further information please review the [DAWE notice](#).



EU News

The new Organic legislation that was due to enter into force on 1st January 2020 has been postponed until 1 January 2021.

The new legislation was published in 2018 and is designed to ensure fair competition for farmers whilst preventing fraud and maintaining consumer trust. You can read the Commissions initiatives to boost the organic farming sector [here](#).

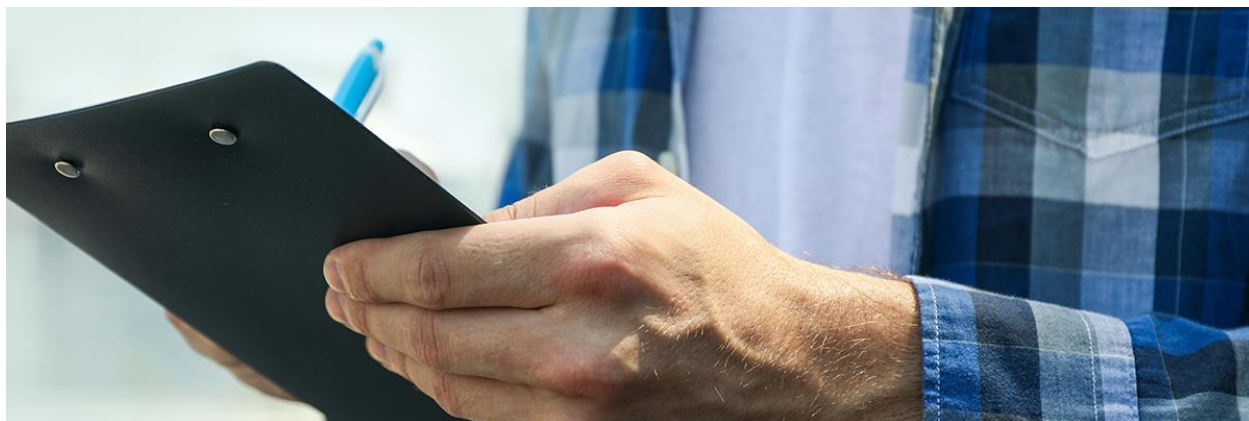


USDA NOP Proposed Rule

The USDA is proposing changes to the National Organic Program (NOP) Rules and Regulations. Click to view '[Strengthening Organic Enforcement Proposed Rule](#)

Whilst the majority of the proposed changes affect Certification Bodies there are sections pertinent to NOP certified operators so we urge you to have a quick read through to see if there is a section you would like to make comment on.

The deadline for comments is 05 October 2020 and can be made on USDA AMS [website](#).



Mass Balance and Traceability

For those of you who accessed the USDA NOP Proposed Rule, you will notice that there will be tightened regulations regarding the need for inspectors to complete a mass balance and trace-back. The USDA is not alone in this. These requirements are being tightened up around the world by all organic programs including Australia.

So what exactly is a mass balance and trace-back, and what is your responsibility as an operator.

A **Mass Balance** (also called an in/out balance) is a calculation that demonstrates that enough organic ingredients or products were purchased, produced, harvested or managed (livestock) to equate to product sold and that your production system has the capacity to produce these amounts.

Example 1: Farmer A has a small orchard of 20 mature lime trees. They report the annual harvest of 350kg which equates to an average of 17.5kg per tree. The local DPI reports that expected yields can range between 25 and 50kg depending upon the season. Hence this is a low yield. Sales records show that 4 bulk sales were made equating to 310kg. The balance was recorded as wastage or own use. Mass Balance Complete - no problems.

Records you will need to keep for inspector to use as verification would include:

- harvest dates and amounts eg recorded in farm diary
- sales dates, amounts and receiver information (name, address, certification number/certificate)
eg delivery dockets, sales invoices
- if onsite storage occurred, amounts and dates product entered storage, and amounts and dates product left storage.

Suggestion:

Additional bonus if you can also show the yearly orchard production/harvest for the past 5 years. This information is useful, as it provides the inspector with an overview of the average production capacity of your orchard for your region and/or the amount of yearly variation that might occur in your area.

Example 2: Farmer B manages 300 laying hens for egg production and reports an annual yield of 6,200 dozen eggs. On average hens will produce 250 eggs per year so this is within the estimated yields. However, a review of the sales records show that 8,000 dozen eggs have been sold as certified organic. The mass balance shows a discrepancy of 1,800 dozen. The inspector's job is to then investigate this discrepancy.

Records you will need to keep for inspector to use as verification would include:

- daily egg collection amounts eg recorded in egg collection log
- sales dates, amounts and receiver information (name, address, certification number/certificate) eg delivery dockets, sales invoices
- if onsite storage occurred, amounts and dates product entered storage, and amounts and dates product left storage.

Suggestion:

Maintain an incoming and outgoing egg log ie a running inventory. Not only will this type of running record quickly reveal to you any typing error for figures entered. It will allow an overview for the inspector to decide on what period of records to focus in detail. This may save a lot of time and additional expense for you as any extra time required by the inspection to sort through a detected anomaly is charge at an hourly rate.

A **Traceback** is used to trace a product back to its origin within the production system. The lot number (or batch number, or animal ID number) is traced back from the point of sale to the start of the product's existence.

The inspector uses this method to check the transparency of the flow through your OrganicManagement/ Handling System and to verify that no use of non-permitted substances/ingredients have entered the organic production chain.

Example 1: Processor A makes certified organic Kombucha. A sales invoice indicates that a pallet of certified organic ginger Kombucha was sold on 01/06/2020 citing the batch number ABC010101. A review of the production records, shows that batch number ABC010101 was produced on 10/02/2020. The production records lists the ingredients which includes organic ginger powder which contained the batch number 21964Z. Further investigation of the inventory records show a purchase of certified organic ginger powder on 20/12/2019 with the batch number 21964Z. Traceback complete.

Records you will need to keep for inspector to use as verification would include:

- sales dates, amounts and receiver information (name, address, certification number/certificate) eg delivery dockets, sales invoices, outgoing purchase orders
- processing dates and batch production records (eg quantities of each ingredient used)
- recipes/product formulation
- incoming purchase orders, invoices, delivery dockets for all purchased ingredients
- evidence of organic status of each purchased ingredient or for nonorganic ingredients, evidence of GMO/non-permitted substance free status.

Example 2: Farmer C manages a milking herd of 300 cows. The cows are currently being milked daily. A routine test when the milk is picked up shows traces of antibiotics (prohibited in Organic Standards). A review of the daily milking records shows that only litres and the date was recorded but no animal ID. Further investigations show that there is a treatment record of antibiotics for 5 cows but no animal ID's listed. Traceback has failed to identify which animals were treated and should have been removed from organic Certification for 6 months.

Lack of stock treatment records and quarantine evidence means the operator is issued with a noncompliance and all of the milk production for the 6 month period cannot be sold as organic.

The above examples indicate the type of records that can be used by the inspector to verify information. However, each operation is unique, therefore once an operator understands the purpose of mass balance and traceback calculations, they can set up their own record keeping systems that both suit their own requirements and are able to fulfil the requirements of organic certification.

It is the full responsibility of each operator to ensure that these verification checks can be done.

The better the record keeping, the easier the calculations and this means reduced certification times/costs and possible non-compliances.



NASAA Organic and Biodynamic Standards Update Project

As part of NASAA Organic's program to digitise, streamline and reduce administration costs for NCO certified operators, NASAA has commenced a project to update and simplify the NASAA Organic Standard (NOS).

The NOS Update Project involves improving navigation and readability, updating any technical requirements and consulting widely with members, operators and other stakeholders at each stage of the project. The Project will also include the normal NOS Subcommittee processes.

The goals of the project are to:

- simplify the language
- enable operators to find and access sections and instructions within the NOS that are specifically relevant to their operations more easily
- remove the need to wade through the entire document to find all relevant sections, by cross referencing and linking related information
- keep the technical specifications up to date with the contemporary issues and needs of organic operators

There are three stages to the NOS Project: 1. baseline report, 2 editing and consultation; 3 publishing and distribution.

The Stage 1 Baseline Report involved a comprehensive review of best practice organic standards by an independent consultant and is now complete. The outcome of this phase resulted in an extensive list of options and recommendations for change which is now being considered by the NASAA Organic Standards Subcommittee and NASAA Board. The central theme of these recommendations was to create a module-based format, with the mainframe document covering the generic principles, issues and requirements of organic certification. It is envisaged that individual modules will also be created for each sector, such as crop production, aquaculture etc, with instructions and links provided for the relevant annexures and lists.

To manage the consultation process, and enable time for proper review and comment, the project will be broken into manageable segments which will be circulated for comments as they come to hand. The generic section (Module 1) is currently in rewrite and will be available for comment in the coming weeks.

Your input on this significant and exciting project will help to ensure the NOS continues to uphold the integrity of NASAA organic certification, while responding to industry developments and taking advantage of current digital communication technology.

We aim to complete the Project by February 2021 and we look forward to your comments and feedback.
