

SUBMISSION ON **Proposed changes to New Zealand's organic regulations**

22 September 2026

To: Ministry for Primary Industries (MPI)

Name of Submitter: Horticulture New Zealand

Supported by:

New Zealand Vegetable Council,
Strawberry Growers New Zealand,

Te Awanui Huka Pak - support for this submission sits alongside and does not replace their independent submission

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OVERVIEW

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Our submission

Horticulture New Zealand (HortNZ) thanks the Ministry for Primary Industries (MPI) for the opportunity to submit on the proposed changes to New Zealand's organic regulations and welcomes any opportunity to continue to work with MPI and to discuss our submission.

The details of HortNZ's submission and decisions we are seeking are set out in our submission below.

HortNZ's Role

Background to HortNZ

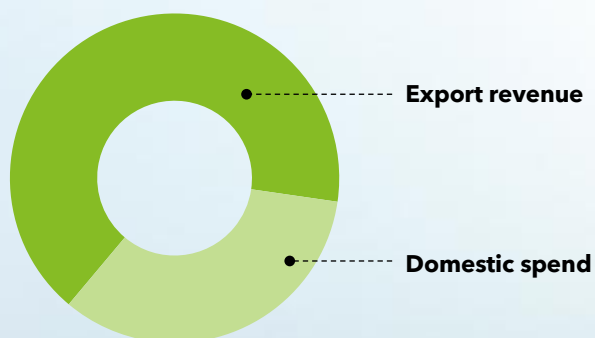
HortNZ represents the interests of approximately 4,300 commercial fruit and vegetable growers in New Zealand who grow around 100 different fruits and vegetables. The horticultural sector provides over 40,000 jobs.

There are approximately 80,000 hectares of land in New Zealand producing fruit and vegetables for domestic consumers and supplying our global trading partners with high quality food.

It is not just the direct economic benefits associated with horticultural production that are important. Horticulture production provides a platform for long term prosperity for communities, supports the growth of knowledge-intensive agri-tech and suppliers along the supply chain, and plays a key role in helping to achieve New Zealand's climate change objectives.

The horticulture sector plays an important role in food security for New Zealanders. Over 80% of vegetables grown are for the domestic market and many varieties of fruits are grown to serve the domestic market.

HortNZ's purpose is to create an enduring environment where growers prosper. This is done through enabling, promoting and advocating for growers in New Zealand.



Industry value \$9.25bn

Farmgate value \$5.30bn

Export revenue \$6.70bn

Domestic spend \$2.55bn

Source: HortNZ Annual Report 2025

Executive Summary

New Zealand's horticulture organic sector

Demand for organic products is increasing both domestically and internationally, representing a significant opportunity for organic growers. In 2025, the New Zealand organic sector recorded \$1.18 billion in total value (\$572 million in domestic value and \$606 million in export value), representing a 37% value increase from 2020.¹

Of the categories that make up New Zealand's organics sector, organic fruit and vegetables accounted for the largest share of sector value at \$244.7 million and over 40% of organic exports. Kiwifruit and pipfruit (apples and pears) are major contributors, with organic kiwifruit earning export revenues of over \$141 million in 2023-24.²

Organic horticulture also delivers a range of benefits that contribute to New Zealand's broader environmental and social wellbeing, and align with the Aotearoa Horticulture Action Plan (AHAP) through a focus on biodiversity enhancement, improved soil health, rural employment, and an alignment with Māori approaches to kaitiakitanga.³

Proposed changes to New Zealand's organic regulations

New Zealand's organic sector relies on its strong reputation. HortNZ supports the goals of the Organic Products and Production Act 2023 (the Act) in improving certainty for those making organic claims, and consumer confidence when purchasing organic products.

These goals support the maintenance of the strong reputation that New Zealand's organic growers have both domestically and internationally, and continued improvement in sector value and farm-gate profitability.

It is important to ensure that the policy settings in the Organic Products and Production Regulations 2025 (the OPPER) and the Organic Standards Regulations 2025 (the OSR) maintain credibility that organic standards are being met without putting such burdens on organic producers so as to limit their ability to remain profitable.

In August 2026, MPI released a discussion document consulting on four proposed changes to the OPPER and OSR. The changes are based on issues raised by stakeholders relating to the practical implementation of the system. HortNZ supports an increase to the proposed exemption threshold, the use of infringement notices for dealing with minor or administrative non-compliance, and a single national label for both domestic and export organics. The rationale for these views is set out in the following submission.

¹ Organic Aotearoa New Zealand (OANZ) [2025 Organic Market Report](#)

² OANZ 2025 Organic Market Report, above at n 1

³ [Aotearoa Horticulture Action Plan](#)

Submission

This submission has not addressed every question set out by MPI in its discussion document. Those relevant to Horticulture New Zealand are answered below.

1. Exemption threshold

The Government is seeking feedback on whether the turnover limit for class exemption from approval is appropriate or should be changed. Exempt persons are still regulated by the Act and will not appear on the register of approved operators.

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| Q. 4 | <p>Which of these options is your preferred option for the exemption threshold?</p> <ul style="list-style-type: none"> Maintain the current threshold at \$10,000 per annum Increase the threshold to \$30,000 per annum Increase the threshold to \$12,700 per annum Another amount No preference. |
|------|--|

HortNZ supports an increase in the threshold to \$30,000 per annum for turnover of organic product.

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| Q. 5 | <p>Please explain the reasons for your answer to question 4, including any benefits, risks, or practical impacts you see.</p> |
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HortNZ's view is that the most appropriate limit is an exemption threshold of \$30,000 per annum for organic turnover (half of New Zealand's current annual GST threshold).⁴ This aligns with the exemption threshold proposed by MPI in its cost recovery settings for a turnover-based all-operator levy.⁵

New Zealand is already seeing a consolidation in the organics sector with the number of certified operators decreasing by almost 6% between 2020 and 2025, despite the number of certified operations increasing by 46%.⁶ If all organic growers were to face the same level of compliance and input costs, regardless of the size of the operation, we are likely to continue to see a small number of large organics producers, alongside a decreasing number of small and medium growers who are less likely to remain financially viable while incurring additional costs.

⁴ Inland Revenue Department (IRD), [GST guide](#) [2026]

⁵ Ministry for Primary Industries (MPI), [Organics cost recovery discussion document](#) [2025]

⁶ OANZ 2025 Organic Market Report, above at n 1

HortNZ supports a threshold which is low enough to capture organic growers operating at a scale that, if they were not adhering to the legislative standards, represent a reputational risk to the sector.

This needs to be balanced, however, against our support for a threshold which is high enough to provide an affordable entry point into the organic growing sector without growers being prohibited or disincentivised by the costs associated with approval and independent verification. MPI estimates these costs to be, for an individual, a one-off cost of between \$375-\$525 + GST and a yearly (to begin with) cost of \$950 + GST.⁷ Growers have indicated that they anticipate these costs to be higher in practice. As an example, using MPI's conservative cost estimates, for a grower with yearly earnings of \$10,000 this could represent up to 17% of their earnings in the first year that the regulations come into effect.

Even at a turnover threshold of \$30,000 per annum, the costs associated with registration and verification could equate to up to 6% of an organic grower's earnings in the first year that the regulations come into effect. HortNZ encourages MPI to continue working with the organic sector to explore options for helping businesses remain financially viable, while growing the sector and maintaining the required level of assurance to protect the industry's reputation and maintain international trade equivalence.

2. Infringement offences and penalties

The Government is proposing to introduce infringement offences for minor or administrative non-compliance. This approach is consistent with established practice under the Food Act 2014, where infringement notices provide a proportionate and effective response to minor, clear-cut non-compliance.

Q. 7 To what extent do you agree / disagree with using infringement notices as an enforcement response for minor or administrative non-compliance under the organic regulatory regime?
Please explain your answer.
1 = Strongly disagree, 5 = Strongly agree.

We have not provided a ranking, but respond with the following:

HortNZ supports the use of infringement notices for minor or administrative non-compliance. These measures provide an appropriate enforcement response for lower-level breaches while complementing the more serious offences set out in the Act. Organic products typically command a premium, often between 20% and 50% above conventional

⁷ MPI, [Discussion document: proposed changes to the Organic Products and Production Regulations 2025 and the Organic Standards Regulations 2025](#) [2026]

alternatives, because consumers trust that they have been produced in accordance with specific standards.⁸

Organic growers have expressed concern about competition from products with unproven environmental claims, which can often be grown and sold at lower prices. Furthermore, studies have shown that organic labelling fraud can significantly erode consumer trust across the agri-food supply chain, highlighting the importance of effective certification, verification, and compliance systems for maintaining confidence in organic claims.⁹

Many of the more serious offences, such as misrepresenting products as organic when they are not, are set out in Part 5 of the Act. We expect these to be a key focus of MPI's compliance approach for organics and agree with them being separate from infringement notices.

Q. 8	The proposed fees have been set based on the nature of each offence and who the obligation is generally expected to apply to. For each offence outlined in Appendix 1, please indicate whether you agree or disagree that the proposed fee is appropriate and proportionate.
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HortNZ agrees that the proposed fees for minor or administrative non-compliance are proportionate, broadly consistent with international approaches, and aligned with the approach taken to infringement offences under the Food Act 2014.

Q. 9	Are there any proposed amendments in Appendix 2 that should be removed, amended, or added? If so, what should be changed and why? Please refer to the specific clause or relevant "change numbers" from Appendix 2 in your answer.
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2.1. Infringement numbers 6, 7 and 8

In a previous submission, HortNZ advocated for minimising duplication of requirements that already exist for growers under other legislation, thereby avoiding duplicative compliance costs.¹⁰

Section 134 of the Act provides for the issuing of regulations relating to the tracing and recalling of products described as organic. We understand that this is the purpose of infringement numbers 6, 7 and 8 in Appendix 2 of MPI's discussion document.

HortNZ is concerned that the proposed wording in infringement numbers 6, 7 and 8 does not limit the notification requirement to issues specifically relating to the organic status of the produce in question. This means that, for example, an exporter of organic produce required to recall their product because its safety or suitability is in doubt would appear

⁸ OANZ 2025 Organic Market Report, above at n 1

⁹ British Food Journal, [Mardenli et al. "Consumer trust in the agri-food supply chain: a randomized controlled study of organic food labelling fraud"](#) [2025]

¹⁰ HortNZ, [Submission on National Organic Standard](#) [2023]

to have obligations under both section 47 of the OPPR and regulation 137C of the Food Regulations 2015.

The proposed regulations appear to impose separate infringement offences, even though they may be triggered by the same underlying event.

HortNZ suggests amending infringement numbers 6, 7 and 8 so that they are only triggered when a recall is required due to the organic status of the produce in question (see Appendix 1).

2.2. Infringement number 17

Infringement number 17 relates to the requirement for organic producers to provide and keep up-to-date information with MPI under section 58 of the Act.

Many organic producers already provide this information to MPI under other statutory frameworks, such as the Food Act 2014. Where this is the case, the organic regime should recognise that information where practicable, rather than creating parallel reporting obligations.

HortNZ recommends that where MPI already holds grower information under another MPI-administered regulatory regime, organic producers should be able to satisfy section 58 by updating that information once through a common MPI portal rather than maintaining multiple parallel records.

3. Minor and technical amendments

The Government is seeking feedback on a number of minor and technical amendments to the OPPR and OSR intended to improve clarity, resolve drafting issues, address gaps or unintended outcomes, and support effective implementation. These amendments are not intended to represent policy change to the regulations.

Q. 10 In general, do you agree/disagree that the proposed amendments in Appendix 2 would improve the operation of the organic regulatory regime? Use the following scale to show your agreement: 1 = Strongly disagree, 5 = Strongly agree.

In general, HortNZ supports, or is indifferent to, the majority of the proposed amendments.

Q. 12 Are there any proposed amendments in Appendix 2 that should be removed, amended, or added? If so, what should be changed and why? Please refer to the specific clause or relevant “change numbers” from Appendix 2 in your answer.

3.1. Proposed amendment 5

Proposed amendment 5 introduces the term ‘environmentally sensitive areas’ to regulation 17(4)(b) of the OSR.

HortNZ’s view is that terminology used in these regulations should align, wherever possible, with equivalent terms used in existing legislation. The term ‘environmentally sensitive areas’

is not a recognised term within the relevant existing resource management framework, either in the Resource Management Act 1991 or the National Policy Statement for Indigenous Biodiversity.

HortNZ recommends that MPI replace this with existing terminology already used in the resource management framework, such as 'significant indigenous biodiversity' (see Appendix 1). Consistent terminology across regulatory frameworks is important to support implementation and certainty for operators and auditors that are operating across these regulatory systems.

If MPI intends 'environmentally sensitive areas' to have a different meaning from existing terms the term should be clearly defined, including requirements, to support consistent interpretation for compliance assessments.

3.2. Proposed amendment 31

Proposed amendment 31 seeks to insert "if known" into regulations 5(1)(i)(i) and (ii) of the OPR. HortNZ's view is that proposed amendment 31 requires further clarification to explain what impact an unknown conversion date, or date of last use of unacceptable input within a production unit, would have on the outcome of an application to be approved as an operator.

4. National organic mark

The Government is seeking feedback on the form that a national mark for organic products should take, and on what key design and policy settings should apply.

HortNZ's primary concern when it comes to the introduction of a national organic mark is the associated financial and reputational costs that growers may incur. HortNZ supports the Government's objective of minimising the cost of the organic regulatory system for growers, while maintaining the integrity needed to support consumer confidence and market access.

In our view, achieving this balance includes avoiding unnecessary duplication for growers operating under multiple regulatory and assurance systems. Growers incur additional costs where multiple assurance systems require separate audits of overlapping records and evidence. Growers subject to the Food Act verification requirements using assurance programs such as NZGAP may already be assessed against requirements including traceability, input registers, staff training, corrective actions, and property management documentation.

The time a grower spends preparing for audits, collating information and hosting auditors is a genuine compliance cost for growers. This should be taken into account alongside direct compliance costs of the organics system.

We encourage MPI to explore opportunities to recognise equivalent evidence and existing assurance programmes where possible. Where equivalent evidence has already been collected or assessed through an existing assurance audit, it should be able to be recognised and relied upon, where appropriate, both during the registration process for organic operator status and by auditors undertaking compliance assessments against the organic regulations.

From a reputational standpoint, both international and domestic markets have developed significant loyalty to existing organic labels and branding. As such, HortNZ supports the voluntary approach to the adopting of a national organic mark, which growers may choose to complement their existing organic branding.

HortNZ also supports a reasonable transition period to a new national mark to allow time for growers who do wish to switch to national branding to operationalise these changes, reduce the sunk cost of pre-purchased existing labels, and allow time for the purchasing of national labels.

The development of any mark should be done in collaboration with the organic industry.

- Q. 13** Which of the following options do you prefer for the organic national mark?
- a) A single mark for domestic and international markets
 - b) Separate marks for domestic and international markets
 - c) No preference

HortNZ supports option a) a single mark for domestic and international markets.

- Q. 14** Please explain the reasons for your answer to question 13.

HortNZ supports an approach that reduces additional labelling costs. Having separate labels for domestic and export markets is likely to add cost and complexity for growers by creating additional packaging requirements.

Many larger producers of crops such as kiwifruit, apples, and some berries are heavily involved in export markets. However, it is not uncommon for exporters of organic products to also sell domestically.

The annual costs associated with organic labelling can range from around \$1,000-\$2,000/year for a small domestic operator, to between \$5,000-\$15,000+/year for a large exporter selling to multiple markets.¹¹

It may also lead to a consumer misconception that there is a two-tier market; 'premium export organic' products, and 'regular domestic organic' products, thereby diluting the value of New Zealand's organic brand.

An additional consideration is that having separate organic marks for domestic and export markets would reduce brand recognition for international travellers visiting New Zealand, and New Zealanders travelling abroad.

¹¹ Aotearoa New Zealand Organic Collective (ANZOC), [Organic Certification in New Zealand: Complete Guide](#) [2026]

Appendix 1: Suggested amendments

Provision	Commentary	Suggested amendment
OPPR regulation 47	Proposed amendment not limited to organic status of the produce in question. As currently drafted, creates additional responsibility for organic growers which is already covered by regulation 137C of the Food Regulations 2015.	Failure within 24 hours after the operator decides to recall any of the operator's products because those products do not, or no longer, comply with the relevant organic standard to notify the relevant chief executive or an organic products officer in writing of the following matters: (a) that they have decided to recall the products: (b) particulars of the products: (c) the reason for the recall.
OSR regulation 17(4)(b)	Proposed amendment introduces the term 'environmentally sensitive areas', which is not currently defined in the resource management framework. HortNZ recommends the use of existing terminology such as 'significant indigenous biodiversity' to support consistency in implementation and certainty for operators and auditors. If MPI intends 'environmentally sensitive areas' to have a different meaning from existing terms the term should be clearly defined.	A supplementary notice may specify detailed requirements relating to— (a) the management of land to support and promote biodiversity; and (b) Environmentally sensitive areas Areas with significant indigenous biodiversity, including the specification, management, and protection of those areas.