



MEDIA RELEASE

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China demands more Australian organics

China can't get enough certified organic produce.

Food contamination scandals and environmental issues have changed food purchasing habits of the rising Chinese middle class, which perceives imported foods to be safer than the domestic food supply.

Organic products play an important part of this change.

Australian Organic's Commercial and Marketing Executive Joanne Barber has just returned from China after signing a deal that will increase export opportunities for Australian farmers.

Australian Organic owns the nation's largest certifying group Australian Certified Organic.

A signing ceremony in Shanghai acknowledged an agreement between Australian Certified Organic and Chinese organic certification group the Organic Food Development and Certification Centre of China (OFDC). Austrade was also present at the signing.

The agreement follows years of negotiations and paves a smoother road for Australian exporters, particularly beef and wine producers.

Australian organic milk, dried fruits, nuts, citrus fruits, wheat flour and coffee are also in demand.

Under the agreement Chinese-trained Australian inspectors can audit businesses on China's behalf.

Joanne says, "China has 1.3 billion people. While in China I also met with a company that has delivered certified organic produce to over 400,000 families. Organics is big business there."

Organic food production in China is worth over US\$2.5 billion and the demand is expected to exceed the world average.

The agreement comes after the release of a new IBISWorld report showing that organic farming is one of the Australian economy's best performing agricultural industries over the past five years.

The report shows organic farming is forecast to record outstanding growth of 50% over the next five years and anticipates Australian farmers will export more food as Asia's population continues to grow.

CEO of Arcadian Organic & Natural Meat Co. Alister Ferguson says the agreement is fantastic because it will enable them to access more customers in China, which is a growing market for them.

He says, "It will simplify the process of exporting to China, reducing the red tape that currently exists."

South Australia's Gemtree Vineyards has a partnership with a Chinese distribution company.



The partnership has tripled the vineyard's wine production.

Winemaker Mike Brown says, "There is no doubt the biggest opportunity our business has experienced is in China and we have committed a large amount of our company's resources to China." Gemtree has 300 fulltime sales people in China.

Australian Organic is working with Austrade and NSW Government Trade & Investment in Shanghai to build more trade links for Australian certified organic businesses.

To manage the strong growth in organic farming and the increase in exports Australian Organic has introduced a new program to help businesses that are seeking organic certification.

Joanne says, "The new onboarding program will make the transition to organic farming easier for producers.

"We're getting a lot of interest in certification from businesses that are quite new to the strict requirements of organic farming.

"Australian Organic wants to do everything we can to support businesses on their journey – to make it as successful as possible. This not only helps businesses to be more profitable but it also helps the organic industry as a whole meet the growing demand from consumers."

Media: Kathy Cogo, Australian Organic, kathy.cogo@austorganic.com, 07 4771 3714 | 0466 015 183.