

FINANCIAL REVIEW

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HD **Organic industry gets Chinese boost**
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The \$1.3 billion organic food and wine industry is set to gain a \$100 million-plus lift after the umbrella body won Chinese approval to certify export produce in Australia.

The National Association for Sustainable Agriculture Australia estimates it could add up to \$100 million in extra sales annually for local operators because it will give easier access to the Chinese market, and lead to lower costs for local producers who will get their paperwork signed off in Australia first, after checks by inspectors approved by Chinese authorities.

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Ben Copeman, the general manager of the association, said it is the first time a foreign organisation had secured approval to inspect organic products for export to China.

"It's very good from a lowering costs viewpoint, and very good from a market access viewpoint," Mr Copeman said.

He says it will allow Australian organic producers the same access to the highly regulated Chinese organic market as they currently have to the organic markets in the United States, Japan and Europe.

An official agreement was signed in Adelaide on Monday between the association and the Chinese organic certification body Beijing WuYue HuaXia Management and Technique Centre.

CHC chairman Zhou Chen said on Monday at the signing: "It's a big market opportunity for Australian operators."

Mr Copeman said Australia is one of the top three suppliers of organic foods to China, along with the United States and Europe. He estimates up to \$120 million of organic produce is already sold into China from Australian producers.

Food security and the quality and integrity of the supply chain is increasingly a major issue in China, which has been hit by health scares related to infant formula for feeding young babies and toddlers. Wine benefits

Paxton Wines, a wine producer from South Australia's McLaren Vale region, aims to increase its exports into China through the deal.

Ben Paxton, from the family-owned winery, said exports to China make up about 5 per cent of the group's total exports. He said drinkers expect quality wine, and only then is the organic status a factor in their purchasing decisions. "The quality of the wine is what sells it, being organic is a bonus," he said.

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