Organic Certification Systems and Farmers' Livelihoods in New Zealand

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List of Abbreviations

AQ AgriQuality (also called CerteNZ)
BG BioGro
CB Certification Body
DFID Department for International Development
ICS Internal Control System
IFOAM International Federation of Organic Agricultural Movements
NCC National Coordinating Committee
OFNZ Organic Farm New Zealand
PGS Participatory Guarantee System
SLF Sustainable Livelihoods Framework
TPC Third Party Certification
Preface

Organic production in New Zealand is well advanced and there are now a number of certification systems in place to support current production. While there is often discussion about the different systems there is very little in the way of systematic research which compares certification systems. In this report we have an important contribution to such discussion with the three main systems being compared and their effects assessed. Readers seeking knowledge on the effects of certification on farmers’ livelihoods will find this report to be of interest.

Professor Caroline Saunders
Director
AERU
Acknowledgements

Thank you to the people who assisted in this research, in particular the participating farmers, certifiers and others who helped with contacts, comments and funding.
Summary

Certification is becoming increasingly important in organic agriculture for the marketing of organic products. This makes certification central for organic farmers and can have major effects on their livelihoods. Over time, different certification schemes have been developed. Third Party Certification (TPC) currently is the prevailing certification scheme in developed countries. External auditing to encompassing standards makes it relatively expensive. Thus, Participatory Guarantee Systems (PGS) have been developed to cater for farmers who cannot afford high certification fees. The research aim of this study is to identify the effects these certification schemes on farmers’ livelihoods in New Zealand and what the specific differences between the schemes are. Therefore, the study compares three certification schemes in New Zealand, namely BioGro, AgriQuality (both TPC) and OrganicFarmNewZealand (PGS), with respect to their impacts on the farmers’ livelihoods. The research was carried out using a qualitative research approach with semi-structured interviews of farmers and staff from the above-mentioned certification organisations. From the collected data, several topics emerged that were sorted and analysed using the Sustainable Livelihood Framework to identify the links between certification schemes and organic farmers’ livelihoods.

It was found that all certification systems that were part of this study contributed to the ‘success’ of their farmers, when success is defined as the achievement of farmers’ livelihood goals. The TPC schemes (AgriQuality and BioGro) formed the basis of success for many large and medium-scale farmers. They accommodated complex and large, but also some smaller production systems, and allowed for the export of products. They generally supported business and export oriented agriculture. On the other hand, the PGS (Organic Farm New Zealand) was very important for the success of small-scale farmers, supposedly due to the good support systems achieved through its group structure. It was supportive of networks and participatory and community based agriculture.
1.1 Introduction

Certification is becoming increasingly important in organic agriculture. It is central for organic farmers to market their produce and thus has major effects on their livelihoods. Over time, different certification schemes have been developed. The aim of this research is to identify what effects these certification schemes have on farmers’ livelihoods and what the specific differences between the schemes are. The study compares three certification schemes in New Zealand, namely BioGro, AgriQuality and OrganicFarmNewZealand, with respect to their impacts on the farmers’ livelihoods. The research was carried out using a qualitative research approach with semi-structured interviews. The interviews included farmers and staff from the above-mentioned certification organisations; and the final data has been analysed using the Sustainable Livelihood Framework.

1.2 Relevance of this study

The most common organic certification system to date is third party certification (TPC). It evolved in developed countries to ensure the integrity of organic standards. However, its structure makes this certification scheme too expensive for many small-scale farmers. This has excluded many small-scale farmers from organic certification and in some cases left them without a market to sell their produce. In response to this, several developing countries set up their own alternative certification schemes that are based on farmers’ groups and can offer certification at a lower price. Evidence indicates that also in developed countries the costs of TPC are a major obstacle for organic small-scale farmers. Yet, until recently, TPC is the only widely acknowledged certification system in many countries (especially the main importers of organic produce, such as the USA, the EU and Japan). A few exceptions are made for certified organic produce from low-income (developing) countries, but the needs of small-scale farmers in developed countries are usually not considered.

In New Zealand, there used to be many small-scale farmers for whom it was impossible (or unacceptable) to pay the high fees for TPC. In response to this, a new certification scheme, a participatory guarantee system (PGS), was introduced. Similar systems may be needed in other developed countries, where small-scale farmers cannot afford certification. For the further development of such smallholder certification systems, it is important to look at the actual benefits PGSs have for organic farmers in developed countries and also to consider the weaknesses of these certification schemes. There is a lack of literature on certification for small-scale farmers in developed countries and only some for developing countries, which makes a study on this topic important.

Certification schemes can have a strong influence on the farmers’ livelihoods. To detect the various ways certification schemes interact with the complex reality of farmers’ livelihoods, a broad and people-centred approach has been chosen. To be able to identify both the benefits of organic schemes in general and the specific advantages and disadvantages PGS have in comparison to the prevailing TPC, it is necessary to directly compare both systems.

Overall, this study is relevant for several reasons. Firstly, it provides valuable insights into the effects certification systems have on farmers’ livelihoods. Secondly, it is potentially useful for
the future development and modification of certification schemes. Thirdly, it fills an
information gap on organic certification schemes.

The possible benefits of this research are the following:

- It can provide valuable information for farmers both as an aid in the decision-making
between the different certification systems, and in providing information on certification
systems in general.

- It will provide important information for the certifiers in terms of the farmers’
perceptions of their certification systems and on the ‘new’ participatory guarantee
systems, which can prove very important outside New Zealand. It may also point out
possibilities for the modification of existing certification schemes.

- Further, it can provide helpful information to policymakers on how to support
smallholders by introducing new certification schemes in developed countries other
than New Zealand, as feedback for the New Zealand government which helped to set up
OFNZ, and as information for the organic sector.

1.3 Research objectives and questions

This study means to contribute to the discussion on the value and validity of participatory
guarantee systems and add to the small body of literature on the different dimensions (e.g.
social, economic) of organic certification. Moreover, it provides a basis for the upcoming
discussion of organic certification in New Zealand that is an expressed priority of the strategic
changes in the New Zealand Organic Sector Strategy\(^1\) (Aitken et al., 2003). This study
provides information on the needs of producers and how these could be met.

This study compares three certification schemes in New Zealand. Firstly, it investigates the
interrelation of organic certification systems with farmers’ livelihoods. Secondly, it explores
and compares three certification systems with different structures (TPC and PGS). It is of
particular interest in this respect to identify the differences in advantages and disadvantages of
the respective systems for farmers and their livelihoods. These aspects of the study are closely
interrelated but have been formulated in two separate questions for ease of understanding.
This research project therefore has focussed on two main aspects (question 1 & 2) but was
designed to allow for other issues to emerge (question 3).

1. What are the effects of the certification schemes on the farmers’ livelihoods?

2. What are the perceived differences between PGS and TPC?
   - What are the benefits and disadvantages of each scheme for ‘its’ farmers?

3. What are other important, certification related, issues for organic farmers?

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\(^1\) The organic sector wants to achieve “Certification schemes that are robust and meet the needs of both
producers and consumer markets” (Aitken et al., 2003, p. iii).
1.4 Theoretical framework

1.4.1 Sustainable livelihoods framework

The underlying theoretical framework used for the analysis of this research is the Sustainable Livelihoods Framework (SLF). This framework uses a holistic and people-centred approach that can be applied in very different situations, for example to analyse and evaluate projects, or to do research or policy analysis (Cahn, 2002; Department for International Development, 1999). It assumes that people actively pursue a range of livelihood outcomes such as health, income, and well-being (Farrington, Carney, Ashley and Turton, 1999). These outcomes are influenced by many factors. Livelihood assets are essential because they depict the capital available to people. This capital has different facets, and in the livelihoods approach of the DFID (Department for International Development, 1999), it is divided into five categories: the financial, social, human, natural and physical capital. Using these assets, people can pursue a variety of activities (livelihood strategies) to finally achieve their livelihood outcomes or goals. However, the assets as well as the strategies are influenced by the outside world through transforming structures and processes (for example laws, policies, institutions) and the vulnerability of the assets to outside influences (an important factor in agriculture could be the vulnerability to weather conditions). The focus of this research is one of the ‘transforming structures’ that have an influence on organic farmers in New Zealand: organic certification as an institution with different structures.

1.4.2 Rationale and application

The SLF can be adapted during research and analysis (Department for International Development, 1999). It helps in understanding the complexity of our livelihoods but does not restrict the wealth of information given by people through the given categories. The Sustainable Livelihoods Approach has been described as a people-centred approach because it focuses on the goals as defined by people, the assets available to them, the strategies they use, and the structures and processes as perceived by them, without prescribing anything in particular. It can therefore be used in very different situations and is open for adaptation to the particular circumstances.

The SLF was used as a tool for the data analysis of this research because it allows a holistic view of the different aspects (categories), which constitute and affect a farmers’ livelihood, and their interactions. The categories provided by the SLF as well as the indication of their interrelations were useful to sort the complex data obtained from the interviews and to produce a comprehensive overview. The framework (categories) was broad enough to incorporate most of the issues that emerged during this research and yet narrow enough to provide a valuable structure to the analysis of the data. The detailed structure of the framework was useful to sort the results from the interviews and allowed to freely explore the interrelationships of the different livelihood components. Care was taken not to exclude topics from the results, which did not fit into any predefined category (of the SLF), and during the analysis new categories were added to accommodate these topics. Thus, the approach provided a structure to the results without destroying the emergent character of the research and without prescribing any of its outcomes. The very broad structure of the SLF made it necessary to focus the analysis on the most relevant parts and results.

1.4.3 Categories

This study analyses the interrelationships of different certification schemes with the livelihoods of organic farmers. It specifically examines the influence that the certification
schemes have on the livelihood assets. The categories of the SLF that emerged from the interviews and were used for sorting the data are described in Table 1-1. In addition to the five capitals described by the DFID (1999), time was used as a category for the analysis because it was perceived as very important by the framers. The research aim made it necessary to narrow the ‘structures and processes’ part of the livelihood framework down to the certification bodies and the issues directly connected with the certification or the organic producers. The certification scheme might furthermore have an influence on the livelihood strategies and the vulnerability of the farmers. The vulnerability to certain shocks may for example be reduced by group certification through the established social network or new vulnerabilities could emerge through conflicts in the farmers’ groups. While the certification scheme may potentially influence the livelihood strategies of the farmers (through specific structures) it is almost certain that farmers’ livelihood goals will determine their strategy and finally their choice of certification body.

Table 1-1: Categories of the sustainable livelihoods framework

<table>
<thead>
<tr>
<th>Categories used for the analysis:</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Livelihood Goals/Outcomes</strong></td>
<td></td>
</tr>
<tr>
<td>What are people’s goals? Which outcomes are they seeking?</td>
<td>5.2</td>
</tr>
<tr>
<td>⇒ Why are they growing organically? Why are they certified?</td>
<td></td>
</tr>
<tr>
<td><strong>Livelihood Strategies</strong></td>
<td></td>
</tr>
<tr>
<td>How is the livelihood income generated?</td>
<td>5.3</td>
</tr>
<tr>
<td>⇒ What do farmers grow? What else do they do?</td>
<td></td>
</tr>
<tr>
<td><strong>Livelihood Assets</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Financial Capital</strong></td>
<td></td>
</tr>
<tr>
<td>Financial resources used to support livelihood objectives</td>
<td>5.4</td>
</tr>
<tr>
<td>⇒ Farm income sufficient? Economic aspects of the certification.</td>
<td></td>
</tr>
<tr>
<td><strong>Social Capital</strong></td>
<td></td>
</tr>
<tr>
<td>Networks, relationships, group membership, social safety nets</td>
<td>5.5</td>
</tr>
<tr>
<td>⇒ What are farmers’ networks?</td>
<td></td>
</tr>
<tr>
<td><strong>Human Capital</strong></td>
<td></td>
</tr>
<tr>
<td>Skills, knowledge, ability, labour</td>
<td>5.6</td>
</tr>
<tr>
<td>⇒ What are the farmers’ information sources?</td>
<td></td>
</tr>
<tr>
<td><strong>Time Capital</strong></td>
<td></td>
</tr>
<tr>
<td>Time was often described as a very precious resource and is therefore inserted as a separate category</td>
<td>5.7</td>
</tr>
<tr>
<td>⇒ Time spent for voluntary activities or certification processes.</td>
<td></td>
</tr>
<tr>
<td><strong>Natural Capital</strong></td>
<td></td>
</tr>
<tr>
<td>Natural resource stock from which flows and services are derived</td>
<td>5.8</td>
</tr>
<tr>
<td>⇒ Not addressed.</td>
<td></td>
</tr>
<tr>
<td><strong>Physical Capital</strong></td>
<td></td>
</tr>
<tr>
<td>Basic infrastructure and producer goods (e.g. tools and equipment)</td>
<td>5.8</td>
</tr>
<tr>
<td>⇒ Machinery sharing?</td>
<td></td>
</tr>
<tr>
<td><strong>Certification Structures</strong></td>
<td></td>
</tr>
<tr>
<td>Structures of the organic certifications</td>
<td>5.9</td>
</tr>
<tr>
<td>⇒ Structures with specific implications for organic certification or for the farmers.</td>
<td></td>
</tr>
<tr>
<td><strong>Processes and structures in the organic sector</strong></td>
<td></td>
</tr>
<tr>
<td>Policies and institutions influencing structures and individuals</td>
<td>5.10</td>
</tr>
<tr>
<td>⇒ Interaction of the certification organizations, certification structures</td>
<td></td>
</tr>
<tr>
<td><strong>Vulnerability</strong></td>
<td></td>
</tr>
<tr>
<td>The vulnerability context frames the external environment in which people exist (includes seasonality, trends and shocks)</td>
<td>5.11</td>
</tr>
<tr>
<td>⇒ What are the difficulties in organic farming and certification?</td>
<td></td>
</tr>
</tbody>
</table>

Adapted from (Parrish et al., 2005).
A full livelihoods analysis would need to include the cultural background, policies, laws, climate and other factors that influence the farmer population. Yet, as the aim was to compare two certification systems in the same cultural and political settings of New Zealand, this was not part of this analysis. Any important issues that surfaced in the interviews additional to the prepared questions and topics have been included in the analysis.

1.5 Report structure

The next chapter describes the relevance of certification (2.2), its international development (2.3) and introduces the different certification schemes that have been developed (2.4). The third chapter describes the development of organic agriculture and certification in New Zealand (3.2) and gives an overview on the four existing certification schemes (3.3). Chapter four describes the methods that have been used to conduct this study. The main method used was interviews and the rationale behind their use is explained in Section 4.2. The interview participants were the centre of this research and the choice and composition of the interviewees as well as the interview structure and the coding of citations for the result presentation are described in Section 4.3. The results of this research are ordered according to the categories in Table 1-1 and are described extensively in Chapter 5. The final chapter (Chapter 6) summarises the results (6.2), makes comparisons between the certification schemes (6.3), provides some implications for policy and future research (6.5), and mentions the limitations of this research (6.6). Section 6.7 discusses the results of this study in the international context and the conclusion (6.8) sums up the findings of this study.
Chapter 2
Literature review

2.1 Introduction

To set the context for this research the first section explains the relevance of organic certification in general (2.1) and describes its development on an international scale (2.3). The broader context is important for this study because the international developments have a strong influence on the organic sector of New Zealand and its certification schemes. Section 2.3 sheds light on the different certification structures, as described by the International Federation for Organic Agriculture Movements.

2.2 Relevance of certification

Certification has become a central element in organic agriculture. It was mainly created for the ‘anonymous’ market that developed with the growth of the organic sector and the increasing trade of organic products (Rundgren, 1999). Certification may not be needed for local markets, where close consumer-producer relationships are established and the consumer still knows and trusts the producer. However, this direct relationship is not always possible in an increasingly global marketplace and today certification is increasingly demanded, even in local markets.

To become organically certified, farmers have to produce according to the organic standards of their certification body. The compliance of their production systems to the certification standard is controlled by an auditor and culminates in a ‘certified organic’ label that can be used on their products (this process can vary and is described in more detail in section 2.4). The label ‘certified organic’ provides important information for consumers and enables them to make conscious choices (MAF, 2001). By knowing which product is certified organic, the consumer can support environmentally-sound production through their personal selection of products (Lampkin, 1990). The recognition of organic labels by the consumer can be impaired by the variety of different labels on the market, which possibly creates confusion about their integrity (ibid., 1990). Having said that, the thorough inspection of the producers’ compliance with the production standards through qualified individuals or organisations builds consumer trust in the certificate and certification process. However, every fraud in certification that gets public attention will have adverse impacts on the image of the whole organic sector. Therefore the inspection procedure is an important and frequently debated issue.

Certification and inspection are not done exclusively to build consumer trust and to enhance the image of organic agriculture. They also protect committed producers from fraud and ensure that the same standards are applied on all farms with the same label (Lampkin, 1990) and that non-organic produce is not just repackaged and labelled organic. Furthermore certification provides farmers with the access to a specific market, that has premium prices in many countries (Rundgren, 1999). For the retailer, the labelling of products and consumer recognition of the labels provides a differentiation from others through the (organic) product range available.

Overall, certification is described as an important marketing instrument (Rundgren, 1999), which protects producers, consumers and sellers from fraud and thereby creates confidence in the integrity of organic production. Although these are the most common reasons for
certification, there are more aspects to it and the certification process can provide a range of other benefits for the producer (see Section 2.4.2). These aspects and their comparison within different certification schemes and organisations are the main subject of this research.

2.3 International development of organic certification

Standards, certification and inspection have undergone major changes in the past two decades. They developed from a simple local system into a highly specialised certification system controlling continuously growing standards and requirements. These developments arose with the fast growth of the organic market, but have not always been positive for the producers.

Historically, “Most certification was a set of standards and a code of conduct within a group of producers” (Rundgren, 1999, p.11) who had a certain internal control system among themselves. This certification was well adapted to the local conditions and markets, and although the different certification systems had a lot in common, their roots contained diversity and local control (Ho, 2005). Because such systems evolved locally, a great variety of different standards and certification methods evolved over time. With the globalisation of trade and growing organic markets this variety of local systems became impractical because the different standards and procedures were not directly comparable and the plethora of different labels and standards confused all participants: farmers, consumers and retailers (Lampkin, 1990). In response the International Federation for Organic Agriculture movements² (IFOAM) as an international organisation developed basic organic standards, which now form the basis for its members’ standards and certification systems (Lampkin, 1990).

Simultaneously, ‘good’ certification became associated with ‘independent’ or third party certification (TPC, see Section 2.4.1) carried out by certification organisations. Because of these new requirements, the expansion of organic agriculture, and the increasingly complex standards, certification agencies specialized and became larger in size and scope (Bächli, 2003; Ho, 2005). Also “the role of the organic inspector […] changed considerably during the last 15 –20 years. What started as a group of farmers checking each other is moving closer and closer to the professional organic inspector.” (Myers, 1996, p.18).

With markets and trade growing, governments started to provide legal frameworks for the definition and certification of ‘organic’ production. Several governments introduced national standards and regulations for the labelling of organic products to promote credibility of organic products and to ensure trade with ‘equal’ conditions for all organic farmers (MAF, 2001). These ‘country-specific’ standards have to be included in the certifications of importing countries to guarantee market access for their organic products. Therefore organic certifiers nowadays often do not only verify the domestic standards but also those of all relevant export markets. These developments have affected the fees for certification, as the inspection visits take longer and more and more aspects (standards) have to be included in the control. The final costs for the certification and the burden of the connected bureaucracy are becoming intolerable for many (especially small) producers worldwide who consequently decide not to be certified at all (Fonseca, 2004b).

² The International Federation for Organic Agriculture Movements (IFOAM ) has the aim of “leading, uniting and assisting the organic movement in its full diversity” (www.ifoam.org). It has members in over 50 countries and has been very successful in bringing the different organic standards and certifications closer together through the development of basic international standards, which are used as reference or guidelines to bring continuity into the organic standards (IFOAM, 2000).
The inspection costs for third party certification (with an independent external inspector) can far exceed a small-scale farmer’s turnover, especially in developing countries (Kalus, 2004). In these low-income countries, where the conditions for farmers are very different from the first world, alternative certification systems arose in the late 1980s (van Elzakker & Schoenmakers, 2001) (see also section 2.2). Although these systems work very efficiently in terms of cost effectiveness and as thorough controls for organic integrity, they are still treated as an exception for low income countries by many regulators (e.g. in EU, USA, Japan) (IFOAM, 2003). The certification systems for small-scale farmers that have been developed in developing countries are now partly transferred back to industrialised countries and similar systems evolve, where small farmers are under pressure through consumers and retailers to certify their products but cannot afford the expensive internationally accredited and acknowledged certification schemes. This study will compare such an ‘alternative certification’ to the more common and acknowledged third party certification schemes.

2.4 Organic certification schemes

As described in the previous section, different organic certification systems have evolved over time. The aim of this section is to show alternatives to the prevailing third party certification (TPC), and to explain their main structural and functional differences. According to IFOAM\(^3\) there are three main categories of certification schemes, which are described in the following paragraphs: third party certification (TPC), Group Certification (with internal control systems) and participatory guarantee schemes (PGS) (see IFOAM, 2003, 2004, 2006c). Table 2-1 summarizes their main differences.

<table>
<thead>
<tr>
<th>TPC</th>
<th>PGS</th>
<th>Group Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audited by an external professional inspector</td>
<td>Audited by farmers in peer reviews (plus external control component in some cases)</td>
<td>Audited in farmers group through an Internal Control System (plus external control)</td>
</tr>
<tr>
<td>Acknowledged for export markets</td>
<td>Only acknowledged for local markets</td>
<td>Acknowledged only for developing countries’ exports</td>
</tr>
<tr>
<td>Marketing individually</td>
<td>Marketing individually</td>
<td>Marketing through group</td>
</tr>
<tr>
<td>Certification held individually</td>
<td>Certification held individually</td>
<td>Certification held by group</td>
</tr>
<tr>
<td>No advice allowed through certification</td>
<td>Advice and certification can be combined to some extent</td>
<td>Advice and certification can be combined</td>
</tr>
</tbody>
</table>

2.4.1 Third party certification

TPC is the most widely recognised and, in most developed countries, the only acknowledged form of organic certification. The previous section (2.3) has described how TPC or external

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\(^3\) IFOAM has put a lot of effort in describing the different certification schemes that were developed and helps smallholder schemes to find common ground and get internationally acknowledged.
certification evolved. As mentioned above, it was developed especially for the ‘anonymous’
market that developed with the increase in international trade to guarantee organic production
according to organic standards and principles. IFOAM defines TPC as “the formal and
documented procedure by which a third party assures that the organic standards are
followed.” (IFOAM, 2006c).

In TPC, the whole certification process is carried out by an external and independent
certification organisation and its inspectors. The farmer’s role within such a system is to
comply with the set rules (standards) of the certification body (referred to hereafter as CB).
They must farm accordingly and provide the necessary information on their production
techniques, which includes, for example, farm and field maps showing the farm land use
patterns, management plans for future farming operations, field history and many others. The
professional inspector checks each farm once a year and inspects all production systems as
well as all documentation. It is the auditor’s task to ascertain whether or not the farm is
managed according to the relevant organic standards. In TPC, inspection and advice are
strictly separated, which means the auditor is not allowed to give any advice to the farmers
during the inspections. The documentation of the farmer and the auditor’s report are then
cross-checked by the CB, which will then decide about the granting of the final certificate
(IFOAM, 2000).

2.4.2 Group certification and participatory guarantee systems rationale

The reasons for the development of ‘alternative’ methods of certification vary according to
the local context. The most common motives appear to be high certification costs,
disagreement over the paradigm for ensuring credibility, or a political ambition to strengthen
the farmers’ role (de Alcântra & de Alcântra, 2004, p.32). IFOAM describes two main
categories of alternative certifications, namely Group Certification and Participatory
Guarantee Systems (PGS).

PGS and Group Certification differ from third party certification in that their control structure
is not purely regulated by an external CB. Instead, these systems often have two ‘control’
components: the internal component of control that is carried out by farmers or farmer related
bodies and the external one, which involves an external certification organisation. Through
their structure PGSs and group certifications greatly reduce the cost of certification. At the
same time they provide a high quality assurance system for the organic standards and thereby
facilitate smallholder certification (de Alcântra & de Alcântra, 2004; IFOAM, 2006a). Over
time, many different participatory systems with varying internal control procedures have
evolved. As most of them developed out of the need for a cheaper local smallholder scheme,
these systems are well adapted to the local situation. One of their most important principles is
the systems’ flexibility (Fonseca, 2004a), that means the schemes have to be appropriate to
the respective smallholder realities and have to allow for the different local circumstances (de
Alcântra & de Alcântra, 2004).

The basic underlying philosophy of the certification process is an emphasis on mutual control
as well as mutual support. The training of all participants is an essential component of
participatory certifications because only if people know the organic standards and systems can
they comply with them. Thus, a learning approach with ‘grassroots’ participation is supported
by the certification scheme (Fonseca, 2004a).

4 But not all PGS include an external component.
**Group certification and internal control systems**

Group Certification has been acknowledged by some developed country governments as an exception for low-income (developing) countries and thus allows smallholder groups to export their products at a premium price. In different locations, Group Certifications with slightly different structures have evolved. Yet, all of them have the following aspects in common (IFOAM, 2003):

1. Farmers are certified as a group (which varies in size but usually has several hundred members), which shares the costs for certification and the final certificate (Myers, 2002).

2. The group markets their products collectively (IFOAM, 2000, 2003; Myers, 2002).

3. The group is homogeneous in terms of their geographical location and production system. (Fonseca, 2004a; van Elzakker & Schoenmakers, 2001)

4. The group has an Internal Control System (ICS) in place, which is managed by the farmers’ group. Individual internal inspections are carried out at least once a year and the group has one documentation system that is common to the whole group.

5. The external certification body only inspects the efficiency of the ICS and carries out a few spot checks of individuals (IFOAM, 2006a; Kalus, 2004)

A central point in the group certification process, that allows offering certification at a relatively low price, is the Internal Control System (ICS). This system developed as a local alternative to the annual external control of every single farmer. It can be set up in a way that farmers audit one another or involve a local inspector who checks on the farmers. Unlike TPC schemes, ICS schemes can be linked to the extension and advice system within the group. The external inspector then mainly evaluates the functioning and efficiency of the ICS and only performs a few spot-checks of individual smallholders (IFOAM, 2006a; Wilhelm & Fürst, 2002).

**Participatory guarantee systems**

Participatory guarantee systems (PGS) are the third category of certification systems described by IFOAM. They are categorised as non-certified initiatives using their own standards, which are often based on the IFOAM basic standards. The verification of the organic standards is carried out by the farmers themselves in peer reviews and sometimes by appointed staff (e.g. as an external control component). Therefore the participation of farmers in the certification process is not only encouraged but also required. Already in the formation of a new PGS, people who will use the system have a crucial role. PGS are localized and diverse in their nature and often link to local and alternative marketing approaches (IFOAM, 2006b).

The differences to Group Certification are basically that, in a PGS, the production of the farmers in one group can be diverse (different products and production systems) and also the marketing of the products is not necessarily centralized for the group. Further, the certificate does not belong to the group but to the individual farmers. It is suitable and, until now, legally accepted only for the local market. Similar to the Group Certification, inspections are based on peer reviews and social control. Like Group Certification schemes, PGS have a strong
focus on training everyone involved in the system: farmers, workers and consumers (Fonseca, 2004a).

Advantages and disadvantages

According to IFOAM, PGS and Group Certification provide sound certification and ensure the credibility of organic products (IFOAM, 2006b). Therefore PGS provide similar benefits to TPC, such as market access, consumer trust and protection from fraud. The only restriction in this regard is their lack of formal recognition (Fonseca, 2004a). This can have different implications: it can cause market restrictions and have impacts on the label recognition by consumers. However, as many of these systems work on a local scale and are close to their consumers these are not necessarily severe constraints. Most PGS are only certifying for the local market, whereas most TPC certify for local as well as for export markets. It is further important to note that the credibility of such systems is not uncontested and that the potential conflict of interests is widely debated.

One of the main benefits (and the main reason for the development of such schemes) is the substantial reduction in costs, which makes certification feasible for smallholders. This combined with an improved market access can improve farmers’ incomes and livelihoods (Myers, 2002). The improved income is the most obvious benefit but there are also other, less tangible benefits for the farmers, which are mainly social or learning benefits.

The fact that farmers are participating in the certification process and are involved in various other ways will increase their ownership of the certification scheme, which can improve their compliance with the standards and can foster their support for the organic movement. This sense of ownership by the participants is crucial for the functioning of the system (Pyburn, 2004). Another important facet is the necessary co-operation in the group to set up the scheme and/or to control other farmers. This can create very strong networks among the farmers, which leads to mutual support, information exchange, advice, and machinery or product sharing (Myers, 2002). Capacity building is especially fostered through mutual learning and the fact that farmers constantly have to keep up to date with the certification system, standard developments etc. Additionally, the internal structure of previously existing farmers’ groups can be improved through the introduction of participatory certification especially if an ICS is introduced (Wilhelm & Fürst, 2002).

However, these schemes require a high degree of dedication and a lot of voluntary work from stakeholders to keep the costs for certification low (Fonseca, 2004a). This is a potential problem, especially if not enough devoted people are found to ensure the continuity and the quality of the system. Another difficulty is the financial sustainability (Fonseca, 2004a), which can depend on sufficient fund raising and the willingness to do voluntary work if the membership fees are to be kept at a low level.

This list of advantages and disadvantages is by no means complete; however, it gives an idea of the issues that have been raised in the discussion around PGS and group certification. Table 2-2 summarizes the points described in this sub-section. The aim of this study is to further the discussion and investigate these issues in a case study. Hereby, the advantages and disadvantages of a PGS to those of a TPC are highlighted. The comparison of two systems is important to find out which benefits occur from certification in general and which are specific to PGS or TPC. In New Zealand, a new domestic certification system, a PGS, has been developed particularly for small-scale farmers. This makes New Zealand a good place to study the relations of PGS with farmers’ livelihoods and to compare them with third party certification schemes.
<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>- lower costs for farmers and thus easier access to organic certification</td>
<td>- lack of formal recognition</td>
</tr>
<tr>
<td>- can stimulate local development</td>
<td>- difficulty in multiplication (restricted to local markets)</td>
</tr>
<tr>
<td>- grassroots farmer participation leading to greater ownership and responsibility</td>
<td>- high possibility for conflict of interests</td>
</tr>
<tr>
<td>- network generation (team work, trust)</td>
<td>- needs a high degree of dedication from stakeholders</td>
</tr>
<tr>
<td>- possibilities for sharing of information and machinery in groups</td>
<td>- requires a lot of voluntary work</td>
</tr>
<tr>
<td>- continuous learning and capacity building</td>
<td>- can lack financial sustainability</td>
</tr>
<tr>
<td>- can improve the internal organisational structure</td>
<td></td>
</tr>
</tbody>
</table>

Adapted from (Fonseca, 2004a, 2004b)
Chapter 3  
Certification Schemes in New Zealand

3.1 Introduction

This chapter introduces the state of organic certification in New Zealand. Although evidence is increasing that the cost of individual certification is a growing obstacle for many farmers in developed countries, organic farmers in these countries are often still unable to benefit from participatory certification schemes because of a lack of formal recognition of alternative certification approaches (IFOAM, 2005). However, in some developed countries, such as New Zealand, PGSs have been developed. The following section describes the history of certification in New Zealand. It also looks at the problems of the organic movement in New Zealand, which are similar to those described in Section 2.3 for the international context. Section 3.3 describes the four existing certifications in New Zealand and their structure.

3.2 The organic movement and certification in New Zealand

Before 1983, there was no national certification system in New Zealand. The only trademark and certification system was the biodynamic ‘Demeter’. The alternative agriculture movement at that time was characterised by a number of organisations and only developed into its current structure after 1983 (Saunders et al., 1997) when the NZ Biological Producers Council (NZBPC), later BioGro NZ, was formed (Liepens & Campbell, 1998). According to Saunders et al. (1997) the most important developments between 1983 and 1990 were the institutionalisation of BioGro as the main certifying agent responsible for the formalisation of organic production standards and inspection procedures, as well as the emergence of strong international links (for example with IFOAM). The introduction of BioGro significantly changed the organic movement in New Zealand and made it more popular and available for farmers that did not follow the spiritual ideas of the biodynamic ‘Demeter’ approach but believed in the other benefits of organic agriculture. Throughout the 1980s, organic farms were inspected by volunteers from the NZBPC. Strict control and sophisticated objective standards were neither existent nor required because of the tight social networks in the organic movement and the philosophical commitment of organic growers (Liepens & Campbell, 1998; Saunders et al., 1997).

During the 1990s, several important changes took place, leading to the professionalisation of certification (Saunders et al., 1997). In the early 1990s, growing numbers of farmers were seeking organic certification, due partly to the beginning of large scale organic exporting. Many of the new growers had farmed conventionally in the past and had no previous philosophical commitment to organic production (Liepens & Campbell, 1998). Therefore, scrutiny during inspections increased and BioGro had to cater for more and more growers. To cope with this situation, a fee system for inspection was introduced, first for the processors and subsequently for primary producers in 1992 (Liepens & Campbell, 1998). Nowadays professional, independent inspectors are controlling a range of very detailed standards for organic production. All in all, the years between 1990 and 1996 could be described as a “period of restructuring towards more commercial and professional production” (Liepens & Campbell, 1998, p. 4).

Liepens and Campbell (1998) describe the year of 1994 as a watershed, when the growers who remained in BioGro supported the more formal direction that was taken in certification, whereas many philosophically concerned growers left certification because of its “undesired
commercial and pragmatic orientation towards producing organic food” (Liepens & Campbell, 1998, p.7). Especially small-scale farmers were no longer able to afford organic certification because the certification requirements were driven by the requirements of export markets and costs rose considerably (Liepens & Campbell, 1998; May, 2002; Saunders et al., 1997). In response to their problems and concerns, a new certification system for small growers was established in 2002, which offered group-based certification for the domestic market at low cost: OrganicFarmNZ (Liepens & Campbell, 1998). This scheme has been classified by IFOAM as Participatory Guarantee System (PGS).

### 3.3 New Zealand’s four certification schemes

Today, four different organic certification schemes exist in New Zealand: AgriQuality, BioGro, Demeter and OrganicFarmNewZealand. Table 3-1 summarises the structural differences of these four certification schemes. Demeter certifies biodynamic production and thus has quite different standards from all other certification bodies. Three of the certification schemes allow producers to export their produce (Demeter, BioGro and AgriQual). These three ‘export certifications’ are strict third party certifications. BioGro additionally offers a certification which allows only the supply of the domestic market and is cheaper than the IFOAM accredited export certification. The fourth certification body, OrganicFarmNewZealand (OFNZ) only certifies for the domestic market. It was originally set up as a PGS but also allows individual certification, which functions as every other TPC. The following section gives an overview of all four certification schemes.

### Table 3-1: Structure of NZ certification schemes

<table>
<thead>
<tr>
<th>For export markets &amp; TPC:</th>
<th>For domestic market only &amp; TPC:</th>
<th>For domestic market only &amp; PGS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>BioGro</td>
<td>BioGro domestic</td>
<td>OrganicFarmNZ</td>
</tr>
<tr>
<td>AgriQuality</td>
<td>OrganicFarmNZ</td>
<td></td>
</tr>
<tr>
<td>Demeter</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 3.3.1 Demeter

The Demeter trademark is owned and administered by the Bio Dynamic Farming and Gardening Association (OrganicNZ, 2002) and currently 45 farms are certified in New Zealand (Demeter, 2005).

Demeter is a worldwide certification system, which certifies and promotes the biodynamic approach according to Rudolf Steiner. Biodynamics is a systems approach, where the farm is viewed as a living whole, in which each farm activity affects the others (MAF, 2001). In order to obtain certification, growers have to halt the use of agri-chemicals and additionally have to apply biodynamic preparations (OrganicNZ, 2002). New farmers have to go through the typical conversion period of three years and annual external inspections are required.

Demeter certification will not be included in this research because the biodynamic requirements and standards are quite different from the other certification schemes and involve an encompassing philosophy. Considering that there is only a relatively small number of farmers certified in this system, and with the existing time limits for the researcher, comparing all four certifications would be unfeasible. Further, Demeter is not considered in...
this study to ensure better and easier comparability of the final data since the standards of the other three certifications are very similar.

**BioGro**

“BioGro is an independent, non-profit incorporated society, funded entirely by membership and inspection fees, licensing levies, donations and grants. It has no commercial affiliations.” (BioGro, 2001). Its activities include:

- The setting of organic production standards;
- The certification of BioGro licenses and license applicants; and
- The promotion of organics and support for organic research and education (BioGro, 2001).

BioGro’s export certification scheme is IFOAM accredited. Their label therefore provides access to various international markets. BioGro’s pricing schedule for this ‘international certification’ is based on a flat fee of NZ$ 1650 per year for a single property (Baddock, 2004). Lately BioGro also offers a domestic certification scheme, which costs the grower about NZ$ 650 per year. Of all organic certification agencies in New Zealand, BioGro certifies the largest number of farms, with 700 licensees in 2001 (Fairweather & Campbell, 2001).

**Certification process**

For the initial application to become BioGro certified, the applicant has to provide extensive information about their property, such as property maps, a management plan template and sector information sheet templates (BioGro, 2001). After a complete application has been handed in, an initial audit will be carried out, in which the BioGro auditor reviews the documentation and makes an on-site visit to interview the producer and inspect the property. After the inspection, the BioGro panel will review the application and make recommendations or, in case of irregularities, issue corrective action requirements (CAR), which have to be fulfilled by the producer within the given time frame (BioGro, 2001). After all requirements have been met, a conversion period of 3 years begins. The same process of application (later for re-certification), provision of documentation, auditing (document and on-site review with subsequent recommendations or CARs) and the final decision by BioGro whether or not to grant certification (or another step in the conversion) is followed every year. If the grower complies with the BioGro standards, the certification will be granted. The BioGro domestic certification can be offered at a lower price because it is auditor based, which means that the final decision about certification is made by the auditor instead of by another independent entity, such as the BioGro panel. However, because of this the domestic scheme is not IFOAM accredited.

3.3.2 **AgriQuality**

Like BioGro, AgriQuality, also called CertenZ, is IFOAM accredited and provides organic certification that allows farmers to access different overseas markets (such as the USA and the EU) because the certification meets the requirements of international markets (OrganicNZ, 2002). However, AgriQuality has developed its own set of organic standards, which differs slightly from BioGro. The biggest difference lies in the livestock farming standards, where
AgriQuality allows a certain amount of drenching and medication for animals. Another important aspect is that AgriQuality allows farmers to shorten the conversion period under certain circumstances (e.g., if the land lays idle for a certain period). Nevertheless, both certification schemes require that no synthetic fertiliser and pesticides be used, that food be processed according to sustainable methods, and that detailed records be kept by farmers (OrganicNZ, 2002). Unlike BioGro, AgriQuality does not have a policy of promoting organic agriculture or lobbying for the organic sector. It purely offers the certification service.

The process of inspection and auditing is also very similar to BioGro (see 3.2.2.1), including an annual inspection of every farm and a thorough review of all documentation (OrganicNZ, 2002). Despite this, the certification with AgriQuality is cheaper than BioGro certification, costing approximately NZ$ 1100. In 2001, AgriQuality had 170 organic licensees (Fairweather & Campbell, 2001).

### 3.3.3 OrganicFarmNZ

OrganicFarmNZ (OFNZ) was established in 2002 in response to the needs of small growers who could not afford the costs of the other export oriented certification schemes but wanted to be recognised as growing according to organic standards (Browne, 2002; May & May, 2004). It uses the BG standards for certification but only certifies for the domestic market (May & May, 2004). Most of the participating growers have relatively simple production systems on a small scale. The annual costs for certification by OFNZ, are set by the regional bodies, and range from NZ$ 250 for “Pod” certification to NZ$ 450 for an individual system. This makes it the cheapest organic certification in New Zealand. In the New Zealand domestic market, OFNZ has been readily accepted by the growers and the number of certified farmers is growing (May & May, 2004). In 2005, there were 185 OFNZ certified producers in New Zealand in 14 regional groups (May, 2005).

**OFNZ structure and pod-certification process**

The backbone of this participatory guarantee system (PGS) is the regional groups (14 in total), who oversee the certification in their region and elect the National Coordinating Committee (NCC) (May & May, 2004). In addition, the regional groups provide support and training for growers who want to become certified (Browne, 2002).

In order to obtain certification the regional growers are grouped in “Pods” with 3-8 members (who live relatively close together and ideally have a similar production). The members of one Pod both peer review and support each other (Browne, 2002; OrganicPathways, 2005). After the peer review (where all members of the Pod have to be present) the documentation of all Pod members is processed by the certification manager (May & May, 2004). Additionally, an independent auditor cross-checks the documentation and inspects one farm per Pod per year. So, instead of inspecting each farmer, every Pod is controlled annually, which keeps the costs at a low level. A summary of the results (of the previous process) are then presented to the ‘research committee’, which consists of the certification manager and two regional group members and makes the final decision on certification and non-compliance (May & May, 2004). The regional group database is then sent to the NCC, who issues the certificates (May & May, 2004). Each group member gets an individual certificate and may use the OFNZ label. The label shows where the goods have been produced (regional group name) and the

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5 The fees are set by the regional groups individually (usually in a general meeting) and are different for the regions.
grower code number (Browne, 2002). The process of the individual certification is basically the same as for the BioGro domestic certification.
Chapter 4
Methods

4.1 Introduction

This chapter provides a description of the methods used for data gathering and the analysis, as well as the rationale behind both. This study is based on a qualitative research approach; data was gathered via semi-structured face-to-face interviews with stakeholders. The data analysis is based on the Sustainable Livelihoods Framework. Background information was reviewed (Chapter 2) to give an overview of current issues in organic certification. The description of the different certification systems in developed and developing countries has highlighted some of the major questions and issues that will be looked at closely in this study. In particular, the intangible and social aspects of certification in developing countries have shaped the research questions and the framework that was used for analysis. Such issues of certification systems and also the current situation of the organic sector in New Zealand were used to shape the first set of basic questions for the interviews.

4.2 Interview rationale

As described, little literature on organic certification systems and farmers livelihoods in industrialised countries is available. As a consequence, the broad issues in this field have not yet been identified through basic research. A quantitative approach would therefore depend on the subjective assumptions of the researcher, unless a pilot study could be carried out beforehand. As the budget and timeframe given do not allow both, a qualitative pilot study and a quantitative survey, a qualitative approach was used.

Semi-structured interviews are a powerful research tool for conducting qualitative research. In semi-structured interviews, the researcher interacts directly with the participants, who are acknowledged as being ‘meaning-makers’ and not simply passive research objects (Warren, 2002, p.83). That is, semi-structured interviews are flexible enough to allow additional fields of enquiry to be developed along the way, based on the participants’ responses. However, as this development is participant-driven semi-structured interview guidelines do not influence the direction of questioning.

Face-to-face interviews were chosen as they allow for the most natural mode of interaction. This has been found to lead to more open expression and comfort and to more self-generated and accurate responses (Shuy, 2002, p. 541). The authenticity of the interviewees’ answers often depends on their ‘feeling at ease’ in the interview situation and the level of trust established by the researcher. To enhance this, the interviews were conducted on the respondents’ ‘home turf’ such as their farm or property. The degree of commitment that is required to travel for the sole purpose of conducting interviews on the part of the researcher will certainly enhance the chances of establishing trust and taking the researcher seriously (Shuy, 2002, p. 542). Doing on-farm interviews also gives the researcher the possibility to include observations as an additional source of information. For all these reasons, face-to-face interviews were used in this research.

(E-) mail surveys were not considered as an option as it is very difficult to follow-up on specific answers with further in-depth questioning (Mann & Stewart, 2002), they usually have very low response rates, and were regarded as too impersonal for some of the issues discussed. Telephone interviews are usually used when there are time and budget constraints.
However it is generally “… tiresome to keep the average person on the telephone for longer than 20 to 30 minutes” (Lavrakas, 1993, in: Shuy, 2002, p. 542) and the respondent may give brief and less thoughtful answers than in a face-to-face interview. Additionally, there is a lack of naturalness inherent in telephone interviews. On the practical side, telephone interviews present a challenge to recording if the necessary technical devices are not readily available. Telephone interviews were not used in this research.

Although qualitative interviews place limits on the standardisation of data (Warren, 2002, p. 86), this is not a constraint here as this study was never intended to produce a statistically valid sample of quantitative data.

4.3 Interview participants

4.3.1 Selection

Participants were chosen from three of New Zealand’s four certification organisations, BioGro, AgriQuality and OrganicFarmNewZealand, which all have relatively similar standards (see 3.3). For each certification scheme, one or more staff members and several farmers (at least five) were interviewed (see Table 4-1 and Table 4-2). The exact number of participants was not determined prior to the interview phase. While at least 15 interviews were planned, ‘new’ respondents were selected until sufficient information was collected and no significant new information arose from further interviews, that is, until saturation had occurred (Strauss and Corbin, 1990).

Staff members from the certification organisations were interviewed to gain an overview of the current issues of certification. This allowed for an insight to an ‘official’ view on certification. Furthermore, staff of the certifying organisations provided background information about their activities and experiences, the ways in which they and/or their certification scheme supports organic farmers, ways of certification, and the potential for and constraints of organic agriculture in their regional context. The core of the research however, was the interviews with the growers of the three certification schemes. The initial intention was to interview the same number of farmers for all three schemes and to control the sample according to the production system (e.g. interview vegetable growers only) and the area of production (e.g. only small-scale growers). The sample of farmers was to be selected according to the regional groups of OFNZ. As there are 14 regional groups in total of which only two are on the South Island, only one group should have been selected in the South and two or more groups on the North Island. However, time and budget constraints had an influence on the sampling region and the control of the production systems. The choice of sampling regions was heavily influenced by the travel costs, so that the majority of farmers were interviewed in Canterbury. Nevertheless, three regions in New Zealand were visited and certifiers and farmers were interviewed in Otago, Wairarapa and Canterbury (Table 4-1 and 4-2). Also the choice of only one production system turned out to be impractical. Diversity is inherent in organic farming and vital, especially for small-scale farmers. Crop rotations are a very important factor and most farms have a few tree crops, vegetables and livestock in different compositions. Furthermore, the lack of a comprehensive grower list with telephone contacts made it impossible to track down enough growers of all three certifications of one similar production type. Therefore, the sample contains orchardists, many mixed cropping farmers with and without livestock, linseed growers, vegetable and saffron growers. No dairy and only one ‘pure’ livestock farmer were interviewed. This mixture does not necessarily have a negative impact on the final results as a good overview across different sectors was gained.
4.3.2 Sample composition

In total, 25 interviews were conducted. During the last three to four interviews, no additional information was obtained, meaning that although the sample was not as homogeneous as initially planned, the major issues appear to have been covered in the preceding interviews. The tables below summarise the interviews that were conducted, including the number of farmers interviewed from the different certification bodies (Table 4-1) and the staff involved in the certification processes (Table 4-2). In both tables, the ‘comments’ column specifies what overlaps existed between different certifications, and the last column (‘region’) shows the regions from which the participants came. Of the participants, seven were female and eighteen male. The sample contained farmers with double certification and other overlaps between the certification bodies. Therefore, the addition of the participants for the different certification bodies from the ‘Respondents’ column is higher than 25. These overlaps were very helpful for the analysis because people could compare two systems from their direct experience.

Table 4-1: Overview over interviewed farmers

<table>
<thead>
<tr>
<th>Farmers:</th>
<th>Respondents</th>
<th>Total</th>
<th>Comments</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>OFNZ (pod)</td>
<td>6</td>
<td>9 OFNZ</td>
<td>5 were/know BG</td>
<td>6 Canterbury</td>
</tr>
<tr>
<td></td>
<td></td>
<td>farmers</td>
<td></td>
<td>1 Otago</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2 Wairarapa</td>
</tr>
<tr>
<td>OFNZ (individual)</td>
<td>3</td>
<td></td>
<td></td>
<td>4 Canterbury</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 Otago</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4 Wairarapa</td>
</tr>
<tr>
<td>AQ</td>
<td>5</td>
<td>5 AQ</td>
<td>2 were/are BG</td>
<td>3 Canterbury</td>
</tr>
<tr>
<td></td>
<td></td>
<td>farmer</td>
<td></td>
<td>1 Otago</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2 Wairarapa</td>
</tr>
<tr>
<td>BG (export)</td>
<td>5</td>
<td>6 BG</td>
<td>2 OFNZ certifier</td>
<td>4 Canterbury</td>
</tr>
<tr>
<td></td>
<td></td>
<td>currently</td>
<td>1 domestic was</td>
<td>1 Otago</td>
</tr>
<tr>
<td></td>
<td></td>
<td>farming</td>
<td>fully BG before</td>
<td>2 Wairarapa</td>
</tr>
<tr>
<td>BG (domestic)</td>
<td>1</td>
<td></td>
<td></td>
<td>4 Canterbury</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 Otago</td>
</tr>
<tr>
<td>BG past</td>
<td>6</td>
<td>6 with BG</td>
<td>4 now OFNZ</td>
<td>2 Wairarapa</td>
</tr>
<tr>
<td></td>
<td></td>
<td>experience</td>
<td>2 now AQ</td>
<td></td>
</tr>
</tbody>
</table>

6 Some farmers worked with one certification professionally and the home property was certified with another, or they had changed the certification; some certification staff of OFNZ had BioGro certified farms and vice versa.
Table 4-2: Overview over interviewed certifiers

<table>
<thead>
<tr>
<th>Certifiers:</th>
<th>Respondents</th>
<th>Total</th>
<th>Comments</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certifier OFNZ</td>
<td>2 certification managers</td>
<td>4 OFNZ</td>
<td>2 are BG certified</td>
<td>2 Canterbury 2 Wairarapa</td>
</tr>
<tr>
<td></td>
<td>1 administrator</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 certification committee member</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4 OFNZ involved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certifier AQ</td>
<td>0 certifier</td>
<td>1 AQ</td>
<td>Also BG experience</td>
<td>1 Canterbury</td>
</tr>
<tr>
<td></td>
<td>1 committee member</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certifier BG</td>
<td>1 certifier</td>
<td>2 BG</td>
<td>1 OFNZ certified</td>
<td>1 Wellington 1 Wairarapa</td>
</tr>
<tr>
<td></td>
<td>1 board member</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditor</td>
<td>1</td>
<td></td>
<td>Has audited AQ in the past, still does BG and OFNZ</td>
<td>Canterbury</td>
</tr>
</tbody>
</table>

This sample places a few restrictions on generalizations, and it should be kept in mind that mainly medium and small-scale (see definitions in 4.3.4) farmers were interviewed. Only three of the interviewed farmers generated their full (major part) livelihood off the farm. They had 250 or more ha of land but very different systems (mixed cropping, livestock, and conventional dairy with organic vegetables). The large-scale growers were (as expected) either AgriQuality (AQ) or BioGro (BG) but interestingly even in these two ‘export-oriented’ certification schemes there were a lot of medium and a few small-scale growers, for whom the farm was not the only income. OFNZ farmers tend to be on a small to very small (smaller than one hectare) scale with a few medium sized properties. It should also be considered that most farmers were interviewed in Canterbury in the South Island. It was mentioned by several participants that the region had a strong influence on farmers’ groups and networks, which are generally less readily available on the South Island. This has to be regarded when reading the results.

4.3.3 The interview process

Farmers were contacted by telephone and subsequently visited at their farms or work-places. Certifiers were contacted via e-mail or telephone and met in person wherever was most suitable for them. All participants were assured of confidentiality and knew they could withdraw from the research at any stage. They all received information sheets about the research with the researchers’ contact details. The project was approved by the Human Ethics Committee of Lincoln University.

As explained, all interviews were semi-structured to allow for any additions to the topics of the questions, changes of their order and wording by the farmer/certifier and the researcher. This resulted in the interviews being more like a conversation than an interrogation. The questions were open-ended to encourage the respondent to give longer answers and to allow them to interpret the question and to avoid asking leading questions. However, if very general questions were not understood or the respondents felt they did not know what to answer, prompts were given to help and maintain the flow of the conversation.
The interviews with the farmers took 20 to 60 minutes and the researcher took care not to interfere with their work and tasks. The interviews with certifiers (certification managers, administration staff and others) were usually longer than the farmers’ interviews (40 to 80 minutes) and, depending on their area of expertise, additional questions were asked. The informal, conversational style of the interviews ensured that the participants were not pressured and left space (for the researcher as well as the participant) to add topics to the list of questions. Three farmers were interviewed as a group, which turned out to be a very good option as the researcher did not have to prompt the conversation too much and a lot of topics came up naturally. However, it proved difficult to find a meeting place and time that suited several farmers at the same time, so that only one group interview was conducted.

The certifier respondents (Table 4-2) provided important background information as a basis for the research. Their views usually corresponded with those of the farmers and will not be discussed separately in the results (Chapter 5) unless they provide a valuable addition or distinction, as the farmers’ opinions and problems are in the main focus of this research. The farmers’ opinions did not vary notably across the different productions systems (except for crop specific questions). But for several topics discussed, a pattern could be detected for the certification schemes or the farm sizes. Therefore, these categories are included in the coding system for the citations used to illustrate the results (see below). Where such differences occurred they are highlighted in the respective category of the results.

4.3.4 Coding of farmers

The citations that are used to illustrate the data analysis in the results (Chapter 5) are coded according to a system devised to help relate the citations to a particular group (Table 4-3).

Table 4-3: Coding system for citations

<table>
<thead>
<tr>
<th>Coding of farmers:</th>
</tr>
</thead>
<tbody>
<tr>
<td>The first letters stand for the certification system:</td>
</tr>
<tr>
<td>BG</td>
</tr>
<tr>
<td>BG d</td>
</tr>
<tr>
<td>AQ</td>
</tr>
<tr>
<td>OFNZ</td>
</tr>
<tr>
<td>OFNZ i</td>
</tr>
<tr>
<td>OFNZ p</td>
</tr>
<tr>
<td>The next two letters are for the approximate size of the production as defined below:</td>
</tr>
<tr>
<td>SS:</td>
</tr>
<tr>
<td>MS:</td>
</tr>
<tr>
<td>LS:</td>
</tr>
<tr>
<td>The last two or three letters are a code for the individuals, the small letter indicating the occupation (see below) and the following letter the ‘person’.</td>
</tr>
<tr>
<td>f</td>
</tr>
<tr>
<td>c</td>
</tr>
</tbody>
</table>
So, OFNZp, MS, f A is farmer A who is certified in a Pod with OFNZ and has a medium-scale farm (the letter A is used to help the author keep track of the participants). The scales are only an indication for the size of the farm and the commercial goals of the farmers. The exact sizes and the area under production were not always available and as very different systems were looked at, it is not always a good measure for the scale of production. Therefore LS (large-scale) represent the producers that make a full living out of their farm (they typically have a large farm size), whereas small-scale farmers (SS) are operating on a very small scale, which can be anything from 0.1 to 3 ha. Medium-scale (MS) is everything in between which can be farmers with around 30 ha of land making ‘half’ a living or with 5 ha for a commercially oriented hobby farm. This gives an idea of where the citations come from and if the respondent has to make a living off organic farming, which is a very different situation from a small-scale ‘hobby gardener’.
Chapter 5
Results

5.1 Introduction

This chapter describes the results of the interviews conducted. The results provide a basis for a discussion of the key findings and their interrelationships. The interview results have been assigned to the categories of the Sustainable Livelihoods Framework (Table 1-1).

The data analysis is ordered according to the categories in Table 1-1: Categories of the sustainable livelihoods framework. It starts by exploring the livelihood goals of organic farmers (5.2), in terms of what they wish to achieve by growing organically and what value the certification has for them in this process, and is followed by a description of their strategies (5.3). Then the assets of farmers and their connection with organic certification are described (5.4 - 5.8), starting with their financial capital, the less ‘tangible’ social and human capital, time as capital and to a lesser degree, the physical and natural capital. Although these assets are separated according to categories for the ease of data presentation, one should bear in mind that they are closely interconnected and all contribute to the farmers’ livelihoods. Internal structures of the certification organisations and these ensure the integrity of organic farming are considered (5.9), as is the ‘structure’ specific to OFNZ, the volunteer side of certification. This is followed by a description of the main issues and processes around certification raised in the interviews (5.10). The last section describes some of the growers’ problems, which is a part of the vulnerability context for their livelihoods.

The chosen citations in this chapter are, unless stated otherwise, typical responses summarising one category. The citations are numbered and referred to in the result description to illustrate the range of answers but are not the only answer given. Care has been taken to choose answers that are representative for a certain group of farmers (as described in the respective section). However, the distribution of answers across the certifications or farm scales cannot be directly estimated from the chosen citations, as not all citations could be given in the frame of this research. Where patterns of the distribution of the answers according to the specific schemes or farm sizes were observed, these are explicitly mentioned. In general, no exact numbers or percentages are given for the topics or number of farmers as the sample is small, and percentages would give the impression of a statistically valid sample size. However, if the exact number of farmers that have given a particular answer is perceived as relevant or interesting for the research, it is mentioned. Otherwise, words as ‘some’, ‘many’ and ‘most’ are used, which signify a qualitative increase in number.

5.2 Livelihood goals and outcomes

The livelihood goals are the outcomes that are pursued by farmers according to the livelihood strategy. For this study, it was not intended to identify the full range of goals but to look specifically at the goals connected to organic farming and certification. Therefore this section describes the farmers’ reasons for growing organically and for being certified. It additionally describes farmers’ criteria for the choice of a certification body because this is often closely related to their goals.

\[7 \text{ some } < \text{ many } < \text{ most}\]
5.2.1 Reasons to grow organically

The different reasons that were given for growing organically could be separated into three categories to give an overview of the answers to the questions: “Why do you grow organically?” and “What are the benefits for you?” The three categories that could be distinguished in the interviews were: philosophical and environmental reasons, health reasons, and commercial reasons. Satisfaction, which has been added as a fourth category, was often not given directly as a reason to grow organically but came up in other questions and may be an important underlying motivation for organic growers. Between the different categories some overlaps exist as growers often gave several reasons for growing organically. The reasons that were given most frequently fell into the philosophical and environmental, and health categories, although no grower seemed to mind making some profit out of their production. For each of the four categories a good mixture of growers from all certifications and farm sizes was found.

Philosophical and environmental reasons

The philosophical and environmental reasons seemed to be closely interrelated in the answers and are therefore treated as one category. Many philosophically motivated growers either stated that they have always been interested in growing organically (see citations 1, 3 and 4) and/or that they see organics as the only logical option for agriculture (see citations 2 and 3). For these farmers living sustainably and protecting the environment are of major importance. This was the category that included the greatest number of farmers.

1. BG, LS, f M
   So it’s really a stance against the polluting effects of industrial agriculture. […] We have always been interested in the whole philosophy behind [organics, and] in environmental things.
2. BG, LS, c D
   The philosophy of organics is what attracted us, and the lifestyle, and farming without chemicals. […] It’s the only logical thing to do.
3. AQ, SS, f B
   I have always been an environmentalist and always believed in natural things and always liked gardening natural you know … it’s the only logical way to go as far as I am concerned.
4. OFNZ p, SS, f group
   Basically, what we are looking to do is: live sustainably. […] Because that is the way we always wanted to go.

Health reasons

This category summarises the answers that were directly related to human health. People mentioning health as an issue, were usually conscious of the threats chemical sprays pose to their own health and/or wanted to avoid imposing that threat on anybody else (see citations 5 to 7). They further acknowledged responsibility for the health benefits of their produce.

5. AQ, MS, f G
   [We] decided to grow [the trees] organically because we are so close to town and we didn’t think the neighbours would appreciate aerial sprays. And I am concerned about my husband’s health.
6. AQ, MS, f H
   […] and it is for food. People do eat it, and I wouldn’t like to eat something that is sprayed.
7. OFNZ i, SS, f P
With all the pesticides and chemical sprays, I believe they are absorbed into the vegetables and fruit. You eat them, they go into your body, and the immune system can only handle a certain amount of those chemicals and then you get cancer and all sorts of things.

**Commercial reasons**

Only three of the interviewed growers gave the price premium or market opportunities as a major reason for growing organically (see citations 8 and 9). One respondent is growing conventionally and has added an organic vegetable garden, the second one had been conventional and converted (a long time ago), whereas the third one is one of the small-scale farmers.

8. AQ, MS, f F
We had always intended to look at organic growing systems, purely as a marketing tool. In the end we all are in for the profit.

9. OFNZ i, SS, f P
I thought it’s only a small area so I thought OK. We have to do something that gets a bit of a premium on it. I mean the farmer down the road has 150 acres. So you have to find something where you can make a little extra, make it worthwhile.

**Satisfaction**

The strong emphasis of growers on the environmental and health issues as reasons to grow organically can partly explain why so many people practice organic agriculture although they do not make a living from it. But there is another dimension to growing organically, which is the satisfaction either just to grow things and see them growing, to have a nice lifestyle on the farm, or to actually do something for the environment and live up to ones ideals. The following citations (10 to 14) illustrate farmers’ views on the pleasure of organics.

10. BG, MS, c B
Like a lot of growers, [we cannot live from the property income alone]. But then, you have the feeling you are doing something that is really useful and valuable. So there is that side as well.

11. AQ, MS, f F
It affords us a nice lifestyle. I wouldn’t say it affords me a nice living.

12. AQ, MS, f H
We weed every weekend […]. It is a lot of work but we enjoy doing it.

13. OFNZ i, SS, f P
I found it was worth it [growing organically] although I’ve never made any money. It is just the satisfaction. I know I am a producer and have a pure product. I only wished I would have been 20 years younger, I would have really got into it.

14. OFNZ i, MS, f K
And I feel like at least I am doing my bit to the sustainability stuff; at least I am not making the earth a worse place. […] At a deeper level it is something among all the other things that I didn’t do in all the years. This is something little K. does, non-compromised. And that is a good feeling.

5.2.2 Reasons to be certified

The answers to the question: “Why are you certified?” were mainly market-oriented. The main reasons named for certification were market and consumer requirements, the credibility certification gives to the products, and the price premium that can be achieved through
certification. For the farmers making a livelihood from organic production certification is clearly an essential part of growing organically (see citation 15). However, all other growers also perceived certification as very important for marketing their produce, to receive a price premium and to ensure that products are genuinely organically produced (see citations 16 to 20).

15. BG, LS, f M  
All our markets require certification. It’s a differentiation really, and we wouldn’t be doing business if it wasn’t certified. […] Certification is fundamental to our livelihood.

16. BGd, MS, f O  
Because I think it gives the customer a bit of reassurance and a lot of the shops now require certification and they will take certified produce before they take other produce.

17. AQ, MS, f F  
In order to sell your product, you really have to be certified.

18. AQ, MS, f G  
[I am certified] for the economics and the price premium.

19. OFNZ p, SS, f E  
[…] it’s a way of proving that what you do is according to the standards and therefore you should be able to get a premium price for it.

20. OFNZ p, MS, f I  
Credibility from growers as well as from the buyers’ perspective. And the comfort of knowing that what I am buying is genuine.

5.2.3 Choice of the certification body

The choice of the certification body was influenced by different factors. For growers who were certified in the early years of the organic movement, there was not much choice as BG and Demeter were the only certification bodies in New Zealand, with BG often perceived as the only ‘manageable’ scheme (see citation 21). Yet, several growers changed from BG to either AQ or OFNZ and the newcomers to organics have had the choice between four certification bodies. Many growers chose their certification foremost according to the fees they could afford. Other factors influencing the decision were the (perceived) ‘professionality’ of the organisation (how fast the administration procedures and how ‘scientific’ the standards were), and the time available.

21. BG, MS, c B  
When we started BG, was the only one around except for Demeter. But BG was the only one we could cope with.

Economic reasons

The choice of the certification system was significantly influenced by economic considerations of the farmer. All OFNZ individually certified, the BG domestic and three of the five interviewed AQ certified growers gave ‘money’ as the first reason for the choice of the certification (see citations 22 to 24). For the Pod-members of OFNZ there is often no other financially viable option.

22. OFNZ i, MS, f D  
Because the farm is only a hobby, it would be uneconomical to be BG certified.

23. OFNZ i, SS, f P  
I changed to OFNZ simply because of the costs. BG was going to be $1600 and OFNZ $450. For the small amount of trade I do, you need a very good premium to offset $1600.
24. AQ, SS, f H
   It was money. [I am AQ certified] simply because BG was too expensive.

**Service**

AQ was also chosen because farmers found their service to be better than that of BG. Some farmers state that AQ did send the application forms more quickly (see citation 25) and also gave faster replies to farmers’ questions about restricted inputs or similar concerns. Many growers perceived AQ as being more business-oriented and felt more comfortable with this (see citation 26). Additionally, some farmers felt more at ease with AQ’s standards which were described as more scientific and quantifiable than BG’s.

25. AQ, MS, f H
   BG didn’t send the papers right away, so I had to call again. It was so complicated (the papers), I read it and thought: Oh gosh! I found AQ a very good standard, and they sent the papers and literature, and the guy that certified us was so nice and helpful.

26. AQ, MS, f F
   I made a conscious choice to go with AQ because I felt that they have a better understanding of the commercial reality of growing than BG. And when you have half a million invested in land and planting capital you need to know exactly what is in and what is out [what you can use and what not].

**Philosophy and recognition**

For most of the BG-certified people, the choice of the certification body was influenced by the recognition and the good reputation of BG, its ‘philosophy’, and the fact that in the early times, when many of them started, there was no other certification available. So, for some of them it was a business decision to certify with the best-known certifier and for some the choice is driven by more philosophical or loyalty reasons or it was both, as for the following grower (see citation 27).

27. BGd, SS, f O
   I stayed with BG because I think they have a good and well-established name and they have done (a lot of) the groundwork. So I think they are worth supporting.

**Time**

The time involved was an important factor for people choosing between OFNZ’ individual and Pod certification scheme (see section 6.8.3). The following is a typical quote of an individually certified farmer (see citation 28).

28. OFNZ i, MS, f D
   I am individually certified because of the time factor and with OFNZ because I am a small producer [costs].

5.3 **Livelihood strategies**

The livelihood strategy describes the way the livelihood income of the interviewed organic farmers was generated. One central element in all of the observed strategies was diversity: the diversity of income sources and the diversity of production systems. As already indicated in the coding of the farmers (4.3.4), large-scale farmers were the only ones that created the full
or major part of the family income through farming. All other respondents had alternative income sources in addition to their farm (see 5.3.1). The diversity of the production system could not be directly connected to the farm size, although some medium and large-scale farmers had the most diverse systems (see 5.3.2).

5.3.1 Diverse production systems

Many of the farmers had diverse production systems, including a variation of different crops and animals. Some of the large and medium-scale farms were particularly diverse, including mixed crops, vegetables and livestock (see citations 29 and 30). One large-scale farmer was mainly farming conventionally (dairy) and grew organic vegetables to diversify his production. Others have taken on additional jobs connected with the farm business to further support their livelihood (see citation 31).

29. BG, LS, f M
   We’ve got crops, vegetables, seed crops, carrots, and beetroots, peas, leaf crops for powders and juice, barley and sheep, lamb, sweet corn, linseed.

30. OFNZ p, MS, f I
   The property I am managing is really diverse [it contains bees, nuts, berries, crops, and chicken].

31. BG, LS, c D
   Aside from the farm, we do procurement service [getting organic meat from other farms to supply a processing plant].

5.3.2 Diverse incomes

Because most of the interviewed growers had relatively small farms (1-35 ha) and had no (or not yet any) intention of supporting their full livelihoods through managing their own land, the most common livelihood strategy was to have alternative income sources outside the farm. In many cases, either one or both partners had a full-time job to generate the income for their livelihood.

For most medium and some small-scale farms, one partner was working full-time whereas the other managed and stayed on the farm full-time. In this case, the farm usually generated enough income to provide a part, or in the best case, half of the livelihood income. The external income is described as the “regular” or the “main” income and constitutes an essential part of the livelihood. The following citations (32-34) are typical of farms where one partner works on the farm and one elsewhere.

32. BGd, MS, f O
   My wife works as well, and just from the farm, living would be marginal. Now that I work full-time on the farm, I probably make as much with the property as I was earning with a job but these days usually it takes two to make a reasonable living.

33. BG, MS, c B
   The main income comes from [my husband] who goes off to work. It would be quite hard to get enough from this property. But there are a lot of organic growers that work like that.

34. AQ, SS, f B
   I am a part time operator, my wife works as a nurse. She earns the regular wage and at this time of the year, I can contribute a little bit and that’s how we live.

For small-scale farmers it was common to find both partners or, if there was no farm couple, the one ‘farmer’ working off-farm in full-time jobs. This strategy was pursued by most of the
OFNZ certified farmers (SS), who often only have a very small piece of land (or garden), but also by two AQ couples (MS). Some of these farmers were planning to expand their production (see citations 35 and 36) in the future whereas others were quite happy with their ‘hobby farm’ (see citation 37). For two couples (one AQ and one OFNZ) their farm was a ‘retirement’ project, where they plan to enjoy their retirement years.

35. OFNZ p, SS, f E
I am growing at the weekends only and spend about half a day a week on the property. Hopefully I can expand in the following years.

36. AQ, MS, f HC
[I] and my partner both work full-time. We need the salary. But once we grow [enough] one of us will be able to give up work.

37. OFNZ i, MS, f D
At one stage, I thought it might get bigger but I just didn’t have the time to put into it. And unless I employed somebody to be there full-time […] which I don’t really want to do because I quite enjoy doing it myself.

5.4 Financial capital

The financial capital, or, in other words, the economic situations of the farmer, and the impact of the certification system on their financial capital are only described ‘subjectively’ from the farmers’ point of view. It was not the aim of this project to develop a full budget of every farm but to look at the financial side of farming organically from a farmer’s point of view. A part of this section has already been covered under ‘livelihood goals and outcomes’ (Section 5.2), which includes the economic reasons for farming organically, certification, and the choice of the certification body. Those will not be explained again in this section. The topics covered here will be the income provided by the farm, which for small-scale farmers is often marginal, and the question whether the undertaking of organic farming is or should be profitable. In the second sub-section, a more certification-specific issue will be discussed: the fee structure of certification and the influence this has on the choice of the certification body.

5.4.1 Income from the farmers

Many farmers stated that it was hard to make a living out of an organic farm but there were people who lived off their farms, so it is not impossible. As discussed in Chapter 4 (Methods), most of the interviewed farmers were farming on a small to medium scale and many of them were ‘only’ part-time farmers. For them, the situation is different than for large-scale farmers, as financial income is often not a necessity, but only a minor goal among many other livelihood goals they seek to achieve by growing organically (see citation 38). Nevertheless, it is still important for almost all interviewees that the farm provides some income or at least ‘carries itself’ and does not use up the family income (see citations 39 to 41). In many cases where the farm is not the main income, one or both partners work off-farm to provide the livelihood income for food, mortgage and other needs (see citation 42). The case of families with both partners working outside the farm occurred under all three certification schemes, but was more common for OFNZ-certified farmers.

38. AQ, MS, f F
I wouldn’t say it affords me a nice living. With the acreage and the capital invested […] we would make more profit if we would put that capital into Trustbank at 7% interest. […] we are not growing because we want to be rich.

39. OFNZ i, SS, f P
On a small property, you have to be really careful because they are sinkholes. People often make the mistake that the household income subsidises the farm.
40. OFNZ i, MS, f D
   [It] is not a profit-making venture. But as long as it doesn’t cost me a lot of additional money, I don’t mind.

41. AQ, MS, f F
   If what you grow doesn’t stack up economically, you don’t stay in the game. And the best way to ensure that environmental outcomes are being had is to ensure that it stacks up economically.

42. AQ, MS, f H
   I work here [full-time] and [my partner] works full-time as well [because] we need the salary [and] have a high mortgage.

5.4.2 Fees

Fees for organic certification are an important and contentious issue. They directly influence the farmers’ choice of certification, can exclude growers from a certification, and raise questions of justice. The fee structure of organic certification will probably always be a difficult issue for farmers as any cost on top of the costs for production are ‘too much’ as an AQ board member stated in citation 43. Nonetheless, from each certification, except for BG export certified farmers, there were one or two people that were happy with the current fees and said they were ‘about right’ (see citation 44).

43. AQ, MS, f F
   With the compliance costs we have in the industry anything [else] that we pay for is too much.

44. OFNZ p, MS, f J
   What we have now is fine [$250].

As stated earlier, the fees for the bigger certification bodies (AQ and BG export) were too high for many growers and the rising BG fees were a reason for several smaller growers to change to OFNZ or, since this year, to BG domestic. Numerous growers from all three certifications commented negatively on the high BG fees (see citations 45 and 46). OFNZ fees are generally seen as a good starting fee to get into organic certification, with the possibility to change later on (see citation 47).

45. OFNZ p, SS, F E
   If they [fees] got anything like the BG, there would be no way to make it economical for many farmers.

46. AQ, MS, f F
   $1800 for BG is too dear for what you get.

47. BGd, SS, f O
   For my level of business, I think the $600 is reasonable. For someone starting out, it might still be a bit high. OFNZ has the same standards, so there can be some movement from there to BG. […] Their [OFNZ] fees would be very good entry fees.

After mentioning the fees, some farmers started an emotional discussion that went further than commenting on the size of the fees. They were of the opinion that it is not the organic farmers who should pay high certification fees but the conventional ones who use chemicals that are in fact damaging to the health of people and often grow in a non-sustainable way. According to them, the government should be supporting organic growers more. Especially for the conversion period a subsidy by the government could help growers a lot. The following citations (48, 49) illustrate well how emotive the subject is.
48. OFNZ p, MS, f group
   A: I think it [certification] should be free and government should pay for it.
   D: I think they should be paying us!
   A: You can become a sustainable member [of the society] but you have to pay for it. But you
   can be a conventional grower and the only accountability that you have, is when you export.
   That is appalling.

49. BG, LS, c D
   The bit that gets me is that we have to go through the trouble of certification and our product
   [and production uses] no chemicals, no additives, colorants, no preservatives, no fertilizers.
   […] The bugger over the road, [who] puts all of that, should be the one needing certification.
   Why should we have to pay to prove our authenticity when those are the ones that really ruin
   the environment? They are not paying the true costs of their production. Who is cleaning up
   after them? Who carries the costs? Councils and the next generation.

5.5 Social capital

Social capital is directly related to the organic production and certification. In this case, it
occurs mainly in the form of networks that exist between the farmers who have different
functions within their communities. The most obvious benefit of such networks among
farmers is the mutual support given by members of the network (social capital) and the
sharing of information and building of knowledge among them (human capital). The social
aspect of the networks is described here; their contribution to human capital is explained in
the next section. This study only includes the networks described by the farmers as they are
the focus of this research. Networks among farmers in New Zealand have different forms of
organisation: they can be small personal networks with neighbours or people from the same
industry, organised farmers’ groups that are either sector or region-specific, or they can be as
focussed as the OFNZ Pods (with 3-5 farmers).

Many organic growers found it hard to find networks or farmers’ groups that fit their needs
for specific information (see citation 51). There were a few larger organised sector-specific
groups on the North Island for organic dairy farmers or organic kiwifruit and pipfruit growers
but one has to live in the right area to be able to attend their meetings. In the South Island, the
networks were often not organised and spread out because the farms are further apart. Many
farmers had their personal network of people whom they would ask for advice and sometimes,
due to a lack of nearby organic growers from the same industry, even conventional farmers
were asked for advice (or vice versa) (see citations 50 and 51). The availability of existing and
organised (formal) farmers’ groups or networks depends strongly on the region and the sector
the farmer belongs to (see citations 50 to 52). In many cases the growers built up their own
(informal) network of growers within their sector with whom they would discuss specific
issues and share knowledge and experiences (see citation 53).

50. AQ, MS, f G
   There are pipfruit groups but they are often not solely organic. There are only a few organic
orchards in the South Island.

51. OFNZ p, MS, f J
   Sometimes, I even get information from conventional growers. It might be something about
a pruning technique and then we’d apply it organically. Because we are probably the only
big organic hazelnut growers in the area.

52. BG, LS, c D
   [In this region,] there are not many commercial [organic] growers, and there has not been
much growth. There is not much of a relationship between [the farmers].
Once you start getting into it, you start meeting people [and] you gradually get into it. We have a good [informal] network of organic orchardists now.

**5.5.1 AQ and BG certification and networks**

Both BG and AQ do not organise and set up any organic grower groups (see citation 54). However, some of the large groups in the North Island happen to be purely made up by BG-certified farmers (because BG certifies most of that sector) and for information, people would either go to their group or call the BG office (see citation 55). AQ-certified farmers often relied on themselves and their own networks (see citation 56) or would ask the AQ office for advice on technical issues.

[There is] no formal structure to keep in touch and no networking is done by the certification side [AQ or BG]. It’s a shame, that’s one thing they are not doing.

With BG, there is some [interaction] particularly within groups like the Kiwifruit growers for example. They will spend a lot of time together and talk about their different issues. For advice they rely on those groups or they come to BG with their questions. […] Whereas the OFNZ people would ask somebody in the Pods, they are more likely to go to BG.

There are some formal networks; most of them are informal and we developed them ourselves. AQ tends to be more for individuals: you are operating off your own back whereas BG probably has more opportunity for communal operation.

**5.5.2 OFNZ peer reviews and regional group**

OFNZ is the only of the three certifications considered here that actively promotes and supports the building of formal networks and relies on their functioning for the certification. Farmers wanting to be certified through OFNZ often had very high expectations of the Pod and its benefits. Indeed, many OFNZ-certified growers emphasized the benefits of the peer reviews in the Pod structure and the regional groups of OFNZ. The rating of and the enthusiasm for the peer reviews depended on the respective Pod and how well its members worked together. The most positive answers came from Pods where the members invested time in the Pod, met several times a year (at least some of the Pod) and built friendships. Least enthusiastic (but still positive about the system) were the farmers meeting only once a year for the peer reviews and not wanting to invest any more time. However, all of the farmers certified in an OFNZ Pod were convinced that their certification was very valuable for a number of reasons. The peer reviews helped to build a network among the participants in which the farmers got to know each other, could share resources and information, helped each other out and got support, found discussion partners, and felt less isolated (see citations 57 to 59). Thus, the Pod groups help to build the growers’ social and human capital.

The functionality of and, as said above, the enthusiasm for a Pod depended on different aspects. The time farmers had and were willing to invest in activities together played a major role, and its lack was frequently pointed out as a problem (see citation 60). Another problem mentioned was the distance between the farms because the Pod members did not like to travel long distances every month ‘just to have a chat and a cup of tea’, especially if they did not have much time (see citation 61). Naturally, the quality of the interaction depended on how well people got along with one another (see citation 62). For the information exchange and
the sharing of machinery and inputs, participants found it very helpful if growers had similar crops and systems.

57. OFNZ p, SS, f A
The peer review is very good, you get to know other growers and you can help each other out etc. The group also meets out of the reviews [and we] got to know each other through the scheme. And I think that’s the beauty of it!

58. OFNZ p, SS, f group
I do like the Pod system because you have more support, you can share resources and there is quite a lot of that, which is really good. We are five in our Pod. We will share information but we will also share resources. […] and other Pod members [sometimes come] along to help and do the dirty work [on another Pod member’s property]. I am sure you wouldn’t have that in BG. We are friends as well and we are a good group, they are good people and we do help each other. And then they [other Pod members] are coming in and out all the time as well, it’s not like they only do the peer review.

59. OFNZ p, MS, f J
It’s quite handy to have somebody else that you can discuss something. I have always considered that BG leaves you in a fairly isolated position vis-à-vis advice. […] It is definitely a good support system to have.

60. OFNZ p, SS, f N
Between the reviews, there was very little contact. In our case, because people don’t have the time.

61. OFNZ p, SS, f group
[There is] a reasonable amount of contact between the growers between the peer reviews. Only one of us is further away so we don’t see much of him mainly because he is far away and maybe because he is only here at the weekends. But the other four of us, we do see each other.

62. OFNZ p, MS, f I
But interaction-wise if you get on well, you will have more to do with each other.

However, the Pods are not the only formal structure of OFNZ that promotes network-building. Regional groups are responsible for organising the Pods. The certification committee and annual general meetings discuss any important issues and policies in the group. Depending on the regional group’s budget, they organise several meetings, workshops and training sessions and similar activities, which bring farmers together and build knowledge (see citation 63). The regional group is also the first point of contact for any farmers interested in certification with OFNZ or generally interested in organic growing (see citation 64).

63. OFNZ i, MS, f D
In the board meetings there are usually five to six people and then there is one annual general meeting where you might get 40 people. And we have workshops [about four per year] and field days, where you might get 20 to 40 people. And we had one big day in the summer: “the good life trail” for fund raising, on four organic properties that people visited and spent time at [there were around 90 people].

64. OFNZ p, SS, f group
Everybody can join [the regional group]. And it was a good place to start because you meet like-minded people. There were field days where you could learn. [And] it’s not just your own Pod [that is good about OFNZ]. You also get to meet all the other Pods and certified OFNZ people in the area. We have field days, the function tonight…

One important trait of the OFNZ certification scheme is the support it provides for growers. This support is technical (advice and information) as well as psychological, and it is the psychological support system that is unique among the certifications in New Zealand (see citation 65). This support is very important for growers in different situations. When they start to grow organically it helps them to get to know other organic farmers and can give them
courage to go through the difficult first period. However, the support is also highly valued at a later stage when the system is established (see citations 66 and 67).

65. OFNZ, c D
They [farmers] just needed support. The biggest issue around certification is probably a lack of support. If you look at BG, if you want to be certified you ring, fill in your forms, and an auditor comes in. There is no hand holding or support, there is nothing. Not even consulting. They do have sector guidelines but nothing else really...OFNZ offers a network support and that is really important and one of its strengths. OFNZ is quite unique like that.

66. OFNZ i, MS, f K
[...] cause it is a lonely place sometimes. I find OFNZ is a bit more encouraging than BG.

67. OFNZ p, MS, f J
[OFNZ] is definitely a good support system to have. Imagine if we were still with BG here and there is no other organic farmer really around that we would have contact with. Even psychologically, it is good to know that someone is just 50 km down the road that you know and they are doing the same as you are because in the kind of environment we operate a lot of it is pretty much conventional. And you would feel more isolated.

5.6 Human capital

Human Capital comprises growers’ skills, labour and ability. This research focuses on the need and delivery of information and the capacity-building aspect of organic agriculture. These aspects have a very prominent place in New Zealand’s Organic Sector Strategy (Aitken et al., 2003). This section gives a short overview of the preferred information sources of organic growers. It then looks at the need for and delivery of advice in general and for AQ and BG in particular. The situation for OFNZ certified growers (especially for Pods) is described separately.

5.6.1 Information sources

Information on organic growing systems, techniques and certification requirements is important for all organic farmers, especially when they start with organic cultivation. Every farmer gets their information from different sources and has personal preferences concerning the type of information (written, visual, oral etc.). Most of the interviewed farmers’ first choice was talking to someone who has experience in the needed field (see citation 68). Some of the farmers had their established networks to get information (see citation 69). However, other possibilities were also mentioned: reading (books, newsletters, magazines), going to workshops and, least often, the internet (some growers are unable to get a good connection). There were growers that used the whole range of possibilities (see citation 70) and others who just used one or two options. In Canterbury, the BHU (Biological Husbandry Unit at Lincoln University) was mentioned as an important place to obtain information and was described as a key-contact point for workshops and field days (see citation 71).

68. OFNZ p, MS, f I
I will go and pick someone’s brain. There is nothing like talking to someone who is involved in it.

69. AQ, MS, f F
When it comes to organic systems and being informed how other people do it or improvements in the industry I spend time on the internet, on the phone, industry contacts. I have a personal network of people who I am in quite a lot of contact with.

70. OFNZ p, SS, f A
We just learned things by word of mouth really, reading books, magazines and internet. Obviously those types of things [as well].
I actually worked at the BHU for several years and got quite a good grounding there, and if I would be a grower starting out I would go there.

5.6.2 Advice

According to the farmers, getting advice on organics poses specific difficulties. They explained that the advisor (whether official advisor or another grower/neighbor) has to be familiar with the crops and their specific problems and even then it has to be taken into account that organic systems work closely together with their natural surroundings (soil structure, weather, water availability, pests), which are very different for every farm (see citations 72 and 73). In general, after having acquired a basic knowledge of organic farming, it comes back to the farmers to observe and fit their system to the local environmental conditions.

72. AQ, MS, f F
The idea of growing organically is maximising the advantage that your land offers and minimise the adverse effects. It’s about identifying what works for you within your own boundaries. It comes down to observation of what works for you on your property.

73. BGd, MS, f O
You can help out in a way, but every situation is different. There is no blueprint unfortunately.

To get information or advice of some sort was seen as being most important when starting with organic cultivation. Many of the experienced farmers who have been certified for eight years or longer did not put much emphasis on obtaining advice because by now, they have developed a well-adapted cultivation system. Yet, new and experienced farmers alike stressed the importance of information when they started with organic cultivation (see citations 74 and 75). Individual certifications (particularly AQ and BG) cannot and are not supposed to give any advice, but the Pods and peer reviews in OFNZ can offer assistance in the beginning of the certification process (see citations 76 and 77). OFNZ puts growers into contact with other people, builds up networks, and provides a place where farmers can come to with their questions.

74. AQ, MS, f G
Somebody should help people to get into certification. When I started off you had to get a consultant in and he was learning in the process as well.

75. OFNZ i, MS, f D
I think for people starting up now it is quite difficult to get all the information they need. That’s probably been one of the barriers to growth of the sector: being able to get information and advice.

76. OFNZ i, SS, f P
A Pod might be better for someone starting out. But in my case, when I switched over, I had been doing it for five or six years, so I really didn’t need the support so much.

77. OFNZ p, SS, f group
A: When a new member comes in now, they can join an existing Pod and gain from the existing experience.
B: That must be worth a lot.
A: I have heard from new members that it really has helped them

Although the auditor is officially not allowed to give any advice to the growers during the inspections (see citation 78), several farmers mentioned the audit as a good source of information and advice (see citation 79). This may be due to different definitions of the word advice or maybe the recommendations that are part of the certification process are seen as
valuable input and information. This sort of advice depends very much on the auditor’s knowledge (see citation 80) and, though helpful, is often not sufficient (see citation 81) and leaves a lot up to the farmers. Especially when starting to grow, before even thinking about certification, farmers need more advice on what to grow and how to use their land.

78. BG and OFNZ, Auditor A
   You can’t actually give advice. You can only advise them on how to use the standards.

79. OFNZ i, MS, f K
   In the first few years with BG, the auditor was a very good advisor as well, which is quite useful for someone like me who has no time to be in the networks to know that you’re getting a bit of advice here and there.

80. OFNZ p, MS, f group
   The information you get is quite different. An organic auditor will understand the system. That other person [auditor] couldn’t give us anything.

81. OFNZ p, MS, f J
   I have always considered that BG leaves you in a fairly isolated position vis-à-vis advice. There was always the issue that your inspector couldn’t be your advisor, but you had to pass things past the inspector to see if it was OK to use them in a given situation. That never really worked out because they end up giving you advice, just by being at your property, looking at something, and saying you could try this or that.

5.6.3 Information networks

As mentioned before, AQ and BG do not provide formal networks for farmers and cannot give advice. Yet, certified farmers always have the opportunity to call the respective office and get technical information related to certification (on allowed inputs, specific growing techniques etc.). OFNZ on the other hand, according to the farmers involved, provides a good network of information and support for growers (see citation 82). It puts the farmers of one region in contact with each other and establishes the Pods for certification. Furthermore, every regional group in OFNZ has a central contact person who answers or forwards questions that are beyond the Pod members’ knowledge (see citation 83). The contact people (certification managers and/or administrators) of all regions have created an information network among each other and are in close contact with the professional auditors who work with OFNZ. People involved in OFNZ stated that there is a lot of communication and knowledge sharing within the certification. This information is free of charge for everyone and thus, does not put any further financial burden on small-scale farmers (see citation 84).

82. OFNZ p, SS, f group
   A: OFNZ is sort of an internal educational Pod or group that you can get information from.

83. OFNZ p, MS, f I
   When they don’t know the answer they can put me on with someone who can and that’s a big attraction.

84. OFNZ p, SS, f group
   C: There are experts there and they are affordable. You can ask your neighbour and they can ask you something. There is no money exchange in this. It’s free information, without having to pay all the time.

These are the bigger networks that exist in OFNZ, but the network that is established closest to the farmer is the Pod group that comes together at least once a year for the peer review. During the peer reviews, the growers come together and discuss and examine their respective systems. The farmers stated that during these inspections they exchange information on different matters and collect ideas from other farmers. This exchange has been described as very valuable by several Pod members. However, as OFNZ has a limited number of members, the production systems grouped in one Pod
can be quite different. Therefore, a part of the information from the peer review might not be directly applicable. Additionally, when the producers and their systems remain stable for several years, the amount of information gained has been described as limited. However, all Pod certified farmers emphasised that they gain some valuable information from each of the peer reviews (see citations 85 and 86).

85. OFNZ p, SS, f group
   But the Pod review system is good. It is an opportunity not just to help other people but you can see what the Pod has been doing, their ideas for soils and how to cut things etc. It really is very helpful to be involved in five properties rather than one.

86. OFNZ p, SS, f N
   It’s good to see other people’s properties as well because you learn about other people’s properties – what they do, grow etc. But you go back to the same people every time, so that advantage decreases a little bit after three to four years, when you really know what they are doing. But each Pod member gets about one to two valuable bits of information from every meeting.

The problem of OFNZ with its limited budget and reliance on voluntary work is that many of the people involved in the certification are not experts. This makes the ‘delivery’ of information to the farmers dependent on the people involved in the Pod or the regional group (see citation 87). Some OFNZ farmers hope that the planned advisory system for New Zealand will help to fill this gap in technical expertise. At BG (and AQ), technical experts are readily available at any time in the BG (AQ) office (see citation 88).

For skills related to the peer reviews (how to do an audit) OFNZ continuously builds the knowledge by training sessions and mentoring (see citation 89). This is also described in Section 5.9.1 (Control).

87. OFNZ, c A
   That sharing of the information is good. But it only works if you’ve got somebody in the group who knows already more than everybody else.

88. OFNZ i, MS, f D
   With BG, they [farmers] can come to the BG office for technical advice.

89. OFNZ p, SS, f group
   How do people learn to do the audits?
   D: We had a mentor we put in with the peer review.
   B: The certification put together good material that we could use as reference and then also organised a mentor who came and went through the properties with us, just to make sure we did everything right. That was a big help.
   A: Hopefully, now that some Pods are established, the old members can hold the hands of the new people and make sure they ask the right questions. It is that knowledge that you are building.

5.7 Time as capital

Time was added as an additional category of livelihood assets because in the interviews many participants described it as an asset that was missing or rare. One could argue that time belongs to the category of financial capital (‘time is money’); but from the interviews it has become obvious that time was perceived as being separate from the financial capital (see citations 90 to 92). Often, time seemed to be more precious than the household earnings, which in some cases were described almost as a bothersome necessity. These views should be taken into account, and therefore time has been added as an additional asset.
Many of the farmers mentioned their lack of time, and some argued that they would like to be more involved in meetings and other activities of the organic movement, but just cannot find the time or want to spend their free time differently (see citation 93).

90. OFNZ p, SS, f E
   Time is a bit of a premium to me. At the moment, I am working full-time here, so I really only have my weekends and you can’t just work, have to have a bit of fun as well…

91. OFNZ i, SS, f K
   I feed [the animals] in the morning and evening but that’s it [all the time spent on the farm]. [There is] not much time to think about what I am doing on the farm really.

92. OFNZ, c A
   I think in general, there is a tendency of people nowadays to have more money than time. They rather pay for someone who tells them what to do than to give up a weekend of their time every now and then.

93. BGd, MS, f O
   If I am not working here on the farm I would rather be away from the place doing something else and not attending meetings on other farms.

5.7.1 Time and work involved in certification

Most of the interviewed farmers found the certification process and the auditing relatively easy and not very time intensive. Although a lot of work and time had to be invested in the first stage of getting certified (see citations 94 and 95), all following stages (years) were described as mainly being a matter of keeping everything up to date and having a good system in place to keep track of all the changes and inputs (see citation 96). The less the production system changes and the less complex it is, the easier (and more repetitive) the paperwork becomes.

The auditing itself did not take a lot of time for the interviewed farmers, for individually certified farmers the time needed for the audit depended on the complexity of the system and would be anything between two hours and a day, but typically it took four hours (“a morning”).

94. AQ, MS, f F
   Initially, there was a bit [of work involved in certification]. Because initially, you have to have your chemical residue testing done, draw your map and all that […] but once you’ve gone through the initial paperwork it’s not too bad at all.

95. OFNZ i, MS, f D
   The initial paperwork took a couple of days. […] I have to keep records of all inputs but that’s just a few minutes when you’re using something.

96. OFNZ i, SS, f P
   Once you’re established, you have all your programs in place, it’s just a matter of letting them know of any variations. The paperwork would probably only take me two hours, that’s about all. I have done it for a long time now and it’s just repetitious, I know exactly what to do. For a start it certainly takes a lot longer. For the initial audit you need soil test, have all details... that takes days, weeks… The audit took probably less than two hours this year.

Several farmers held the opinion that organic certification does not put much extra weight on the farmer if it is compared to conventional production. A lot of the diaries of inputs and outputs and the other paperwork, farmers have to do in organics, are basic management practices (see citation 97) that are obligatory or recommended for conventional farming as well (see citation 98).
97. OFNZ p, SS, f group
   B: You need the production diaries to see what you did well in the last year and you can’t just depend on memory. It is just a kind of management tool. I will need the information to do the next year’s planning.
   A: It is like a baseline that you add on to things.

98. AQ, MS, f F
   If you are growing anything you have to comply to certain protocols, audits such as EUREPGAP, local controls etc. Organics is not a lot on top of what we are already doing. Growing organically is not any more or less work than growing conventionally, [it is] just different.

5.7.2  Time for peer reviews

For OFNZ Pods, the peer reviews typically take one day. In Canterbury, because there are few members, people have to drive considerable distances to visit the other Pod members (see citation 99). Several OFNZ growers perceive this additional time that has to be spend on the audits (compared to individual audits of a few hours) as an additional burden in their already busy lives. The time involved in the peer review was given as the most important reason for OFNZ growers to be individually certified (see citations 100 to 103). This preciousness of time for farmers also poses a problem for other activities in OFNZ due to its reliance on a volunteer structure (see 5.9.2 Volunteer structure of OFNZ).

99. OFNZ p, MS, f I
   [The peer review] is quite a busy day. There are only three growers here in South Canterbury and that is not a lot. Our Pod ranges from Geraldine to St Andrews, 20 km south of Timaru. [...] With three [Pod members] it already takes a full day.

100. BG and OFNZ, Auditor A
   The trouble in the peer reviews is that in the beginning, it’s really good and everybody is keen but it takes a lot of time for people. And they just are not prepared to do that for a longer time, and therefore a lot of people are certified individually now.

101. OFNZ i, SS, f P
   I am happy just as I am as individual. I think [peer reviews are] time consuming [and] didn’t want to get involved in it.

102. OFNZ i, SS, f N
   Because peer reviews are time intensive, we went for individual certification, where the auditor comes in for a few [two to three] hours and it’s over and done with.

103. OFNZ p, MS, f J
   We might change to the individual scheme because there is the travelling factor and the time factor, but apart from that, the Pod system seems to work quite well.

5.8  Physical and natural capital

The determination of the farmers’ physical and natural capital is not central to this analysis and to properly define these assets would have been beyond the frame of this research.

5.8.1  Natural capital

The researcher made several assumptions about natural capital. As all interviewed farmers were certified organic, they had to produce according to the respective organic standards. As the standards of all three investigated certification systems are very similar and aim at enhancing the soil structure and the natural environment on the farm, through being certified organic, probably all farmers enhance their natural capital instead of depleting their resources.
This is a very important aspect for the sustainability of ‘organic livelihoods’ and other studies have looked at the direct benefits of organic production. As this study compares three certifications and their connection with farmers’ livelihoods it is important to state that all three certification processes similarly control the continuous amelioration of the farmers natural capital as two farmers stated (see citations 104 and 105).

104. BG, LS, f M
   We have always had a program in place of constantly planting, developing and enhancing our creeks.

105. BG, LS, F
   I suppose for the ground, long-term, the principles are sustainable, and I think in 10 to 30 years that ground won’t deteriorate anyway, but I think long-term it will improve […] just by working along with the basic organic principles.

5.8.2 Physical capital

Physical assets include basic infrastructure and other producer goods such as tools and equipment. From the observations made during the interviews, it was assumed that most farmers were endowed with basic infrastructure such as housing, roads, water, electricity and telephone (although a good internet connection was not always available).

Two problems, identified by the farmers, were a lack of machinery for organic production and high costs for organic inputs. Specialised machinery in general is produced overseas and very expensive. While it might only just be affordable for large-scale producers it is impossible to buy with the budget of a small producer. A collective hire service for producers was mentioned as an option for the future (see citation 106).

On a small scale, some farmers certified with OFNZ have already found a way to deal with their budget constraints and the need for inputs and machinery. They simply bought the inputs or machinery as a group and shared the costs (see citation 107 to 109). To buy and use organic inputs or machinery together requires a lot of mutual trust, which was established in the peer review structures and the (more or less) regular meetings. This sharing of machinery and products was not observed for third party certified farmers of BG or AQ. For large-scale farmers, who make a living of their farm, sharing might also be completely impractical. Yet small-scale farmers definitely benefit from structures that encourage the sharing of inputs and machinery that would be too expensive for one farmer alone (see citation 107).

106. OFNZ, SS, f group
   C: The equipment is there; you can buy it all in Europe, but it’s so expensive and most organic growers are small. To justify spending $20-30,000 for equipment is impossible. So, collective purchasing would be the only option. And the reality with the organic system is that you have to have good quality equipment.
   A: But that’s long-term thinking for when there is more producers.
   C: We would need an organic hire-out where people could go and hire the right equipment for a reasonably small fee.
   B: But I don’t think we have enough people for that yet. There are for example very few vegetable producers.

107. OFNZ, p, MS, f I
   We will share the costs of a new organic hazelnut harvester. It would be too expensive for one person to buy. It is the principle of the movement.

108. OFNZ, c A
   The people [in the peer groups] will share products. For example, Neem or some of the special products you need for organic systems. They might not know about it but there is someone else in the group who has used it before and they tell them how it works […]
109. OFNZ, SS, f group
   B: We are five in our Pod. We will share information but we will also share resources.

5.9 Certification structures

5.9.1 Control of standards

The possible control of standards and rules, how to best exercise it, and how to ensure compliance is a concern of all audit systems and is a repeatedly discussed issue in organic certification. In the next paragraph (‘Cheating’) the views of third party certified growers are given and then (in ‘peer reviews’) peer reviews of the OFNZ scheme and different opinions on their effectiveness to control the organic standards are discussed.

‘Cheating’

In general, certified organic produce is genuinely produced according to the organic standards. However, as in any audit or certification system, it is not possible to keep the farmers under constant surveillance, and some people doubt its credibility. Therefore, a question asking whether it was possible to ‘cheat’ (to purposefully not comply with standards) and still get certification was included in the interviews (Appendix 1).

All growers believed that ‘cheating’ was in general possible; some thought it would be ‘pretty hard’, whereas others said it would be relatively easy. It seems clear that one audit per year per farmer will never be able to control every single production step and therefore certification relies on the farmers being responsible and honest. Nevertheless, all growers, certifiers and auditors agreed that, with very few exceptions, organic growers complied with the standards for a number of reasons. Firstly, the auditing process, although not all-embracing, was described as quite a thorough procedure, which is enhanced by regular unannounced spot-checks on the farms as well as residue tests of the products (see citations 110 and 111). Secondly, people who become involved in organic systems often do so for ethical or philosophical reasons, which tend to ensure their personal integrity and honesty (see citation 112). Thirdly, for organically certified growers a lot is at stake. They pay a lot of money for the certification, have changed their whole system into organic production and usually depend on the certification for their markets. Putting all that (which can be a whole livelihood) at risk just for the sake a slightly higher harvest or the management of a pest problem can mean the loss of all past investments and future markets (see citation 113). Therefore, farmers are more likely to negotiate exceptions with the certifier or find other solutions to their problems than to ‘cheat’ (see citation 114).

110. BGd, MS, f O
   No I don’t think it [cheating] would be that easy. […] Especially during the conversion period they are tough […] checking you get it right.

111. OFNZ i, MS, f D
   Now we are introducing random sampling for residues on produce that’s for sale. So if people know there are more random samples, hopefully they are less likely to cheat.

112. AQ, SS, f B
   Most people that are into organics really believe in organics and are not in [it] to cheat. There may be a real minority. I can think of one incident only and I have been in the game for 15 years.
I would perceive that the majority of organic growers are pretty committed to running an honest regime. [...] If you are certified you pay a lot of money and are also building a reputation. If I would be caught cheating I might as well close the orchard because it is in a very small community, so there will be massive consequences.

A person certified would probably rather try and get things approved by the certifier than to cheat.

**Peer pressure**

Growers rely on one another in their honesty and compliance, as it would only take one or two incidents covered by the press to deplete consumers’ trust in certification, which would reflect on the whole market (see citation 115). This is a good reason for farmers ‘to look after one another’ and exert a little peer pressure (see citation 116). However, there were differences between the perceived levels of social control in different circumstances. The farmers living in rather isolated areas or with no direct or close ‘organic neighbours’, who did not belong to any strong network, experienced and exerted in general very little peer pressure (social control) from or on other growers. For TPC farmers, points of control outside the audits could be either close neighbours or frequent visitors that are organic as well as the farmers market.

You are really relying on people being responsible and honest. [...] We only need one thing to be picked up and that would reflect on the whole. [...] I think growers are pretty careful because it’s their market.

We are all the time also looking at each other, making sure because [if] anyone is caught cheating and the press gets hold of it we’d all suffer. That’s a good reason to look after each other, you know.

**Peer reviews**

For peer review groups (OFNZ Pods), the situation was slightly different. The group members relied a lot on one another and they regularly visited other properties within their Pod (at least once a year), which according to them, resulted in considerable ‘peer pressure’ (see citation 117).

I think the group can exert some pressure, that doesn’t happen when you are an individual grower.

A widespread assumption of peer reviews is that they encourage irregularities in the control of organic standards, in that a group of growers knowing each other (or even being friends), is likely to allow ‘irregularities’ or even fraud within their group. This proved wrong for OFNZ after looking closer at the system and how it is implemented.

As for TPC, most growers and certifiers involved in the OFNZ peer reviews agreed that ‘cheating’, as an individual or a group, would in general be possible but was very unlikely. The reasons brought forward for the credibility of the scheme were similar to those mentioned in the beginning of this chapter. It was argued that the controls are thorough and have multiple layers, that growers are honest and committed to the organic system, and that they depend on
one another for the credibility of the certification scheme. In addition, OFNZ growers were of
the opinion that the certification system, including the peer reviews, is sound and thorough.
Several people look at the property, ensuring that the standards are followed, an independent
audit is carried out on one Pod member every year, and all the documentation from the
farmers is controlled by several people (see citations 118 and 119). Furthermore, growers
certified with OFNZ usually have income sources besides from the farm and are certified
organic because they really believe in the system (see citations 120 and 121). Therefore, they
are less likely to cheat according to OFNZ farmers and certifiers.

118. OFNZ p, SS, f group
   Well, in the peer group you have got five auditors looking at your property, then it goes to
   the certification administrator who looks at the actual application, and then it goes to the
certification manager and the certification committee (three of us) that look at it.

119. OFNZ, c B
   With the peer review, it’s quite hard to hide something. If you have so many people there…
   We think it’s efficient in that way

120. OFNZ p, SS, f A
   I think it’s because people who get involved in it [OFNZ] tend to be idealistic and are often
   not as driven by business imperatives, such as extra productivity, as the commercial people.
   Nobody is reliant on this [certification] for their income. The sums of money you are getting
   for your produce are not such that it would make such a huge difference.

121. OFNZ, c D
   Most of them [OFNZ growers] are in it for the philosophy absolutely. So the intentions are
   quite genuine. You wouldn’t get people that are just in for financial gain in OFNZ. Their
   integrity would be likely to be more consistent.

In contrast to the assumptions mentioned at the beginning of this sub-section, all certifiers
involved in the peer reviews said that farmers tend to be unnecessarily hard on each other in
the peer reviews, when it comes to the control of organic standards (see citation 122). The
reason for this could be a strong reliance on the group to hold up the credibility of the
certification (see citation 123), which might be enhanced by the fact that the peer review
system is not yet widely acknowledged. Another important factor could be that people
involved in the peer reviews are ideologically very committed to the organic system.
Nevertheless, the reviews were not perceived as harsh control; on the contrary, growers and
certifiers felt that there was a very supportive character to the peer reviews (see citation 124).
This could be the reason for another commonly observed trait of the peer reviews: that people
tend to volunteer information that could jeopardise their certification (see citation 125).

122. OFNZ p, MS, f G
   Even we in the certification committee can see that some of the Pod members are really hard
   on each other […] They pick up about everything that we would. And it’s not complying
   only for the regulations!

123. OFNZ, c A
   People have an interest in maintaining the integrity of the scheme because they are selling
   their produce under the scheme, and if the other person isn’t meeting the standards, it makes
   their own products less valuable. So there is a direct interest there for people to be tough.

124. OFNZ, c B
   I think the most important thing is to have those peer reviews in an encouraging atmosphere.
   […] They have to report everything but they are also in a supporting role, encouraging and
   that it is our job to report to the growers whether they have certification or not. We like to
   keep the negative things off the peer review. And you get more out of people in that
   environment.

125. OFNZ p, SS, f A
   The group network tends to operate the opposite way to what you might think. In fact we all
tend to volunteer information, which may potentially be problematic.
One problem that was mentioned by OFNZ certifiers was small-scale farmers’ lack of knowledge concerning audit systems and their technical aspects. In a starting Pod, often none of the growers had previous experience with an audit system, let alone with inspecting others. Therefore, training sessions on certification skills (see knowledge building) have been carried out with the Pod members. It is seen as essential for OFNZ to continue this building of knowledge (see citations 126 and 127).

126. OFNZ, c D
I guess the theory behind peer reviews and Pods is sound. The delivery can be lacking a bit because of knowledge gaps. Their intentions are absolutely sound and in the most cases they come to the right conclusions and the job of the auditor is to make sure they reach the right conclusions.

127. BG and OFNZ, Auditor A
With the peer reviews, you are really restricted by the knowledge of those reviewing you. So they are all looked at in different ways. You should end up with a bit more consistency with an auditor.

5.9.2 Volunteer structure of OFNZ

This topic is particularly important for OFNZ, because not only does the whole structure rely on voluntarism, but also many activities in the regional bodies depend on people putting time and effort into setting up structures, writing newsletters and many other activities (see citation 128). Yet, the topic is not only related to OFNZ, as several activities (farmers groups, information sessions) in the organic movement depend partly or fully on volunteers.

128. OFNZ, c B
If you want to do any kind of community based work, of any nature, it usually involves voluntary work. And this [OFNZ] is basically a community based scheme.

The ‘community based’ structure of OFNZ and its reliance on volunteers was described by farmers and certifiers as an important strength but at the same time as a potential weakness. The volunteer structure is an essential element of any PGS, and also in OFNZ volunteers have a central role to keep the costs of the certification system low on the one side, and to ensure the functionality of the system on the other side. Some OFNZ farmers stated that often, a major part of the voluntary work is done by a few people only (see citation 129). It was also observed that people volunteering for certain positions were overloaded with work and responsibilities. They would invest a lot of their time and energy and after a while get tired of it and leave the certification (or retire) (see citation 130). In many cases, it was not easy to find a replacement for them. Parallels were drawn with BG in its first years and some farmers feared or expected OFNZ to develop similarly and raise the fees to develop a professional instead of a volunteer based certification system (see citation 131).

129. OFNZ p, SS, f A
The problems you have are that it [OFNZ] relies a lot on voluntary participation and, for example, I have done quite a lot of work in doing promotional work. Effectively you do those things for nothing. You have a certification manager which is a paid position but it’s paid very little. So it relies a lot on good will. And that is a potential weakness of it definitely.

130. OFNZ i, MS, f I
If someone gets in and takes a lead role then that person is bound to that position because no one wants to take it over from them. […]Generalising the whole movement is that there are so few growers and people getting involved in committees are in short supply. So when you have someone in that position, they get loaded with more and more and get overworked.
They struggle because it relies on voluntary work and everybody has got their busy lives. That’s why BG had to develop a paid system.

It is hard to identify the reasons for the lack of volunteers, but several possibilities were mentioned by the growers. A few farmers mentioned that growers are just not the type of people who would get involved in too many meetings and committees (citation 132). Others implied that farming in New Zealand is characterised by individualists, which can be counterproductive to the volunteer-side of OFNZ (see citation 133). The lack of time mentioned with regard to peer reviews is certainly also an issue connected with the volunteers, as people who barely have the time to invest one day a year for a peer review might not invest many days for voluntary work. Having said that, there are still many people who invest a lot of time in the organic movement and OFNZ, and thereby make the recent structures possible.

One issue with OFNZ is the ‘growers being growers’, and not wanting to do the work of reviewing.

Farming in NZ generally is individual people doing things. That’s the way organics tended to be as well but the way OFNZ is set up you actually have to communicate with others.

There were different suggestions by the farmers on how the potential problem of a lack of volunteers can be tackled. To raise the fees for OFNZ certification was not considered as an option (neither by growers nor by certification managers) because the strengths of OFNZ are its low fees and the provision of an alternative certification for small-scale farmers. Raising the fees was compared with the developments BG went through, and to end up as a third scheme that is too expensive for many growers was not seen as an option for OFNZ. This view was held by all interviewed OFNZ certified farmers, certifiers and also by BG staff (see citation 134). To avoid OFNZ having to increase the fees for a lack of volunteers and to ensure its stability, it was considered crucial for OFNZ to continually get new people involved in the certification scheme who can take over the volunteer jobs from others (see citations 135 to 137).

There is the possibility and concern that eventually the prices will slowly creep up and the national level will grow and get more infrastructural and require more and more money to support that. That would be a bad development. Because what OFNZ has done, is that it got a lot of small farmers into a certification regime, and I think that that is important and if you can have something that is affordable and allows people to enter the sector that has to be a good thing. If the price is so high that it discourages people from joining, it is going to be difficult. And I think there should be a place for small growers, which allows them to sell their food as organic.

[...] what tends to happen in such [voluntary] organisations is that people do it for a while, and then they get tired or circumstances change, which is why you constantly need new people coming in.

You find the same people putting the time in. They only go for so long and then they burn out if there are no new people coming through and taking on.

There are not enough members, that really is an issue. [...] We need more people.
The main options to ensure the continuity of OFNZ for the growers are therefore to increase the number of growers and to raise funds. Especially for the smaller regional groups (like Canterbury) it would be crucial to receive funds to ‘kick start’ the certification and get more growers involved (see citation 138). Wairarapa for example had additional funding available from the beginning and could employ somebody half-time to advertise, organise workshops, ‘care’ for the growers and help people to get certified. This has helped them to get a stable basis of growers (who make the certification side self-sufficient) and volunteers. They are organising fund raising field days to be able to finance some of the additional activities of the regional body (see citation 139).

138. OFNZ p, SS, f N
The situation in Canterbury: If you would have a lot more Pods, you had a lot more income and could do all these things. But if there are not enough people, there is not enough money for events, which means there is less interest and less new recruits from workshops. It just doesn’t come off the ground. It is a downward spiral. And to turn that around, I think you need a cash injection, some funding to get it into an upward spiral. They would also need more voluntary workers for sure.

139. OFNZ i, MS, f AW
Wairarapa is the big success in OFNZ. […] Mainly because of the energy of H. We got some funding 2-3 years ago which paid for a half-time employee (H). Through her work we got a lot of licensees. No one else in the country has been able to have that resource. But now, the resource has run out and we are back to being a voluntary organisation.

5.10 Processes and structures in the organic sector

This section describes some of the structures and processes in the organic sector that came up in the interviews and seemed to be of importance for the growers. It starts with some of the perceptions growers had about the other certification schemes, which often seemed to be a sore point. The relations between the schemes were perceived as very political. Maybe this ‘political climate’ causes some growers to hope for a single certification body for the whole of New Zealand (Sub-Section 5.10.2). The third sub-section looks at issues connected with the labelling of organic products.

5.10.1 Perceptions of the certification schemes

The formation of new certification systems in New Zealand (first AQ, then OFNZ, and finally BG domestic) led to preconceptions, comparisons and ‘hard feelings’ between the competing agencies, a climate that was described as ‘political’ by some farmers. This competitive environment is sometimes seen as hindering the progress of organic farming in New Zealand. It is a reality farmers have to live and work in and this section describes how farmers perceive the other certification schemes (what BG farmers think about AQ, AQ about BG and OFNZ etc.).

AQ and BG are the biggest ‘opponents’ in the certification game. They existed next to each other for a while and are ‘competing’ for the same group of farmers (the large-scale exporting ones). Farmers of either side have strong opinions about the other side. As already mentioned in the literature review (3.3), the main differences between the two schemes’ standards is the conversion period\(^8\) and the animal health standards\(^9\). However, as both certifications are

\(^8\) The conversion period has to be three years for BG but can be shortened under specific conditions for AQ.

\(^9\) The animal health standards differ for the use of treatments (drenches) and the withholding periods of treated animals.
IFOAM accredited, the procedures for certification as well as the major part of the standards are the same or very similar.

Nevertheless, AQ is still perceived as ‘the easier scheme’ by many farmers. Concerning the conversion and animal health regulations it may be, but it appears not to be for any other area (see citations 140 to 142). Whether that is bad for the whole organic movement (see citation 140) or good because it makes it easier for growers to get certified is not up to the researcher to judge. Another issue with AQ is the view that its audit trail is not done properly and that the audits are just ‘rubber-stamped’ in the office without the second check by the certification organisation. This contradicts the description AQ gives of their processes (see citation 143). Another accusation toward AQ is that they try to “undercut” BG by lowering their fees and drawing farmers from BG, instead of trying to get new people involved.

140. BG, MS, c D
   The AQ standards are definitely easier than BG and I think that is very negative because there has been a general softening of the standards, which I think is poor and really negative and AQ has something to do with that.

141. AQ, LS, f PF
   I guess AQ is the easier scheme. The animal health and the conversion period and they are pretty significant in practical terms. That’s why a lot of livestock farmers are AQ.

142. AQ, MS, f FC
   That AQ is easier to get is like an old urban myth that gets trotted out and a lot of it is driven by politics.

143. AQ, MS, f FC
   The [audit] process is no different from BG. The difference in BG is that they sit down with certification committee and do it as a conference, do it as a discussion. We do the same thing but probably more over e-mail.

BG in turn is described as having the worst service and overly high fees. Some farmers described their forms as very complicated and said the time needed by the office to answer farmers’ questions is too long. This is linked to BG’s monopoly before AQ was established by some (see citation 144). According to BG farmers, the service has improved since then. However, their service is still a reason for some farmers to choose AQ rather than BG. BG is believed to be better recognised in the domestic and export markets, although AQ farmers nowadays feel they don’t have a huge disadvantage in that respect (see citation 145). Nevertheless, several BG farmers mentioned the recognition of BG as a reason to stay with them. The other reason to abide by BG was their philosophical background and the amount of work they invested in supporting the organic movement (see citation 146). While some growers supported and liked BG because of their philosophy, others were certified with AQ because they do not emphasize the philosophy but have a more “scientific” or “business” approach to their certification system (see citations 147 and 148). A summarizing comment on all these issues is given in citation 149.

144. AQ, MS, f F
   My perception of BG is that […] they had a monopoly status and used that to their own advantage. BG had to change a lot to appear both competitive and fair.

145. AQ, MS, f H
   BG certainly was and is the better-recognised scheme, but AQ is coming up in it. For us, there is no big difference and we don’t have problems with the export.

146. BGd, MS, f O
   I stayed with BG because I think they have a good and well-established name and they have done (a lot of) the groundwork. So I think they are worth supporting.
We looked at BG and at that stage, they seemed to be more idealistic, and I was looking more for a scientific-based scheme, where you would have scientific reasons and not ‘only’ the philosophy.

I think AQ is BG without the philosophy.

No certification is more organic than the other one.

The smaller certification schemes have had a few issues as well but none defended with so much vigour as the old BG and AQ ‘feud’. The topics discussed were the peer reviews, which seemed a bit dubious to some people, and the introduction of the BG domestic scheme. Only a few people did not trust the control of the organic standards in the peer reviews and only one farmer spoke out on it very negatively (see citation 150). Other opinions on this topic are discussed under section 5.9.1. The introduction of a new domestic scheme by BG for small-scale farmers was almost perceived as an affront to OFNZ and can potentially pose a severe competition to their scheme. Some previously BG certified growers would have stayed with BG rather than changing to OFNZ, had the domestic scheme existed at the time (see citation 151).

Personally I am not in favour of the OFNZ small grower scheme, I think it’s a dog. I think it has the ability to legitimise cowboys and we do have people in our system who cheat.

BG had an excellent reputation and it’s a quality certification. I would have stayed with them for the $ 650 they charge now.

The changes and recognition between the systems are still an issue. AQ certification and inputs (for processing) are not accepted without cross-checking by BG (see citation 152). OFNZ is not accepted by AQ, and even the change from BG to OFNZ (which have the same standards) is described as a hassle requiring a lot of repetitive paperwork (see citation 153). So there is a lot of potential to make the life of growers and processors easier.

Some of our growers were AQ certified, and BG would charge us quite a lot for cross certification. Whereas AQ accepted BG certification.

I just keep using my BG handbook [for OFNZ], so it was no problem to change. I only had to fill out a lot of forms to change. It was almost like starting again, so many forms. You would think that the fact that I had been certified with BG should have told them that I comply and am up to standard. So why did I have to produce all those forms again? It was just like I was starting from scratch.

This topic was not included in the initial interview questions but arose in the first interview. For completeness, it was then included in the list of questions and from the fierceness of the responses it can be assumed that it was of great concern for the growers. The opinions of the growers regarding this issue were divided between three positions, the ones that wanted one certification body (CB) only for New Zealand, those that were fine with several CB but wanted one consistent standard, and the ones who preferred several competing CBs. Those positions are not mutually exclusive as you can have several CBs certifying according to one standard or one CB administering several standards. The arguments brought forward in the
interviews are introduced in this section. There was no particular pattern of preferences for any of the above opinions that was correlated with the respondents’ certification scheme or farm size.

One certification body only

Some farmers perceived New Zealand as being too small for having four different organic certifications (see citation 154). Farmers who held this position would in general also support the administration of one standard only, with maybe an exception made for the Demeter standards. It was suggested that this one CB should include a ‘scheme’ for small-scale farmers as entry level into certification and allow a smooth change to the other levels of certification (see citation 155). Even if the vision of only one CB for New Zealand seems like ‘daydreaming’, for some farmers, they would at least like to see AQ and BG working closely together to simplify matters (see citation 156).

154. BG, LS, f C
   New Zealand is too small to have all those competing standards and there are only very few organic farmers. Thus, it is nonsense to have so many different standards. One single organisation with one standard for everybody would be better.

155. OFNZ p, SS, f A
   [To] actually have a single body for organics working to one set of standards. Where you have different levels of entry: Either by size of the property or the amount of produce, working from somebody who only has a small block of land with some access produce they want to sell right through to a big farm that is wanting to export milk products.

156. AQ, MS, f G
   I have had no problems with either BG or AQ lately, but I would like to see them working closer together. Only one certification organisation would solve a lot of problems.

One standard only

Most growers holding this view made an exception for the Demeter standards which they perceived as incomparable to the other systems. Since BG and AQ standards are already very similar (due to IFOAM regulations), farmers did not consider it a big step to combine both standards in one (see citation 157). According to them, it would make the change and trade between the certifications a lot easier and would also accommodate the need for consumer recognition, since all producers could be labelled according to the same standard. It would also eliminate the idea that some farmers are certified with an ‘easier’ certification (see citation 158).

157. AQ, SS, f B
   [One standard] would be better. BG and AQ are really very close now [through] IFOAM. […] already AQ inspectors are contracted by BG, so my BG certified neighbour is seeing the same people now. They are all using [similar] standards so why not having one only?

158. BG, LS, f C
   There are hard feelings among organic farmers [BG] because other people are certified according to lesser standards [AQ]. There should be the same standards applied to all organic farmers.

It was suggested by some respondents that OFNZ use their own standards (which have already been developed) instead of the BG standards. But all interviewed OFNZ growers and certifiers were of the opinion that OFNZ must continue to use the BG standards. They thought that OFNZ as a low cost scheme did not have enough resources to maintain its own standards (see citation 159) and that it would be too difficult for growers to change between
certifications with different standards (several BG farmers have changed to OFNZ, and many OFNZ farmers plan to change to BG in the future) (see also citation 160). Furthermore, BG has already attained a good reputation, which is a benefit for OFNZ as long as they work with the same standards.

159. OFNZ p, SS, f A
   For own standards a lot of work is involved and somebody will have to do that work and be paid.

160. OFNZ, c D
   OFNZ is a little breeding ground for BG farmers [and] OFNZ haven’t got the resources to develop their own standards. I think it’s fantastic that we can work with the BG standards. They have got a lot of respect. […] It simplifies matters for both consumers and producers. At least now you can say that we are certified according to BG standards.

**Competition**

The third position held by several farmers promotes many CBs either administering one or several standards. This would ensure competition and consumer choice and could thus help to keep the fees for certification low and ensure CBs’ accountability (see citation 161). Others said that several CBs are more potent in administering all the different sizes of growers and producers (as in citation 162).

161. AQ, MS, f F
   I think we have been down the path of having only one certification body and it was a complete disaster. It was only when AQ came along and we had a certification choice, and that forced BG to become a bit more realistic. Competition has improved the accountability and performance of these bodies.

162. OFNZ, c A
   For only one organisation: I don’t think so. As long as we meet the needs of different groups and are not competing for the same people, I think that several organisations can do a better job than one. For BG it’s just not economic to muck around with people at our end of the scheme.

**5.10.3 Labels**

When the topic of labelling organic produce was raised, the interviewees often talked about the consumer side and the recognition of labels. Without the consumer recognition of and trust in organic labels, the whole purpose of certification for marketing would be lost, yet marketing is the goal most growers want to achieve through their certification. To gain a thorough understanding of this topic, the questioning of consumers would be necessary. Nevertheless, the interviews provided some farmer opinions on the topic.

One national label (or CB) was considered very helpful by several growers to strengthen the recognition of New Zealand’s organic brand for national and international consumers (see citations 163 and 164). Uncertainty existed about the consumers’ recognition of organic labels in general and their trust in certified organic produce rather than non-certified (see citation 165 and 166).

163. OFNZ i, SS, f K
   It [one label] probably would be good, especially in the international market for recognition. We are such a small country… BG should be the brand, because it is credible.
164. OFNZ, c D
And the more trademarks there are the more confusion. I feel sorry for the consumer. I think it is confusing especially when there is no education.

165. BGd, MS, f O
As long as people know it’s certified they tend to trust the system.

166. OFNZ i, MS, f J
Because the consumers […] are completely ignorant of what the difference between organic and certified organic is, [and] I don’t think they know the labels.

All organic farmers were in unison about growers selling produce without certification and were quite emotional about protecting ‘their’ organic integrity by certification. They thought that, through either a law or a code of practice for traders (see citation 167), it should be ensured that anything sold as ‘organic’ is organically certified. Many supermarkets and retailers in New Zealand already only accept certified organic produce but on farmers’ markets, sale of non-certified produce was still observed (see citation 168). Certification for organics was seen as a safeguard against fraud as chemical residues have been found in some non-certified produce (see citation 169). It was also seen as a measure to protect the consumer’s trust in organic produce (see citation 170), and to ensure that only farmers who ‘go through the trouble and cost of certification’ can sell their products with price premiums (see citations 171 and 172).

167. OFNZ p, MS, f J
I think the answer would be to target shops and retailers, not to take food in to sell unless it is accompanied by a current certificate.

168. AQ, SS, f B
We have had problems on the market with the use of the word organic by people who are not certified, and they could be doing anything.

169. OFNZ p, MS, f group
There have been a few scares about produce being called organic with pesticide residues in it. So, I think what has been made clear from that is that it’s non-certified produce.

170. AQ, MS, f F
It comes down to customer confidence, when someone is buying your product they need to have the confidence that you are 100% compliant, not 95% or only a little bit of roundup.

171. AQ, MS, f G
If somebody goes through all the hassle and costs to get certified, shouldn’t they have an advantage? It is a very costly thing to be certified.

172. AQ, MS, f F
And it annoys me that every year I have to write big cheques in order to have that sticker on my product, and there is someone else who is enjoying that status without paying.

5.11 Vulnerability

The vulnerability context in the livelihood framework describes all external influences that pose threats or shocks to the livelihood in question. As not all the problems of organic farmers can be explained in the scope of this study, this section is specific to problems connected with the certification and a few issues that were raised about organic cultivation systems and the marketing of products.

Certification

In general, there seem to be no major problems with the certification process in any of the certification schemes (see citation 173). When asked whether there were any difficulties, the first answer was always “no, not really”, which indicates that there were no major issues
perceived by the farmers. After giving some thought to the question, three topics surfaced. Some farmers found the paperwork hard to handle, ‘daunting’, or knew of people who find it hard (see citation 174) yet, in the end, they all managed to get through the documentation (see citation 175). The other difficulty is connected to the organic inputs that are used. It seemed to be hard for some to meticulously record every input, which is part of their documentation system (see citation 176). The third difficulty was to find certified organic inputs and work with them as the rules for inputs kept changing during the season (see citation 177).

173. OFNZ p, MS, f N
   There are always difficulties in growing organically but not in certification.

174. AQ, LS, f L
   Some people just don’t have the mindset for it.

175. OFNZ, SS, f K
   Once you get used to it [the paperwork] its o.k. but still at the beginning, it was an onerous task really. But I see that it is probably necessary for the integrity of the label.

176. OFNZ p, SS, f E
   And I wasn’t aware that you have to get a proof of where things come from for all your inputs. I had bought pasture seeds and hadn’t the proof for it being organic […]

177. AQ, MS, f G
   You have a management plan and have to get approval for anything you want to apply that is restricted. So, you could plan all your operation around one product, get it approved, buy it and then half way through the season, they change their mind about it and you are not allowed to use it anymore. And then what do you do? […] This happened to us last year.

The potential instability of OFNZ can be a threat to growers who cannot afford more expensive schemes, yet rely on certification for the sales of their produce. In some cases, there were insufficient numbers of members in one area to sustain a Pod, so growers had to be certified individually. This may not pose a major threat to their livelihood but is very inconvenient, especially for people who are just starting off with their cultivation system and are not yet making much or any money with it.

**Organic cultivation**

Whereas organic certification was described as “just a matter of getting our head around it” and developing a system for your documentation, organic farming in general seems to involve a lot of risks (see citation 178). This issue was not investigated in great detail but the themes that came up during the conversations were dependent on the production system: weather conditions (frost and hail for the orchardists), birds (for linseed growers), pests and diseases (blackspot on apples, butterflies on cabbages), weeds, and in some cases the missing of a processor or pack-house nearby (export apples), causing high transport costs. The conversion period was brought up as one of the main obstacles of converting to organics (see citation 179), and some thought there should be some subsidy for the conversion period (see citation 180).

178. OFNZ p, MS, f N
   That’s what growing organically means also: There’s always going to be stumbles along the way.

179. AQ, MS, f F
   The 3 years conversion period was always an issue because you will always have a reduction of crops during those first conversion years.

180. OFNZ p, MS, f I
   The whole thing lacking in NZ is to have a backup for growers. Some kind of subsidy for the conversion. There are things that should come back to government.
Marketing

Marketing seems to be no problem at all for the interviewed farmers because the market is growing (see citation 181). The only difficulty described in this respect was that many exporting farmers had a hard time to meet the overseas demand for their products (linseed oil, saffron) (see citation 182). But also for local produce, such as vegetables, there was a high demand (see citations 183 and 184). In terms of supplying local markets, growers would either sell their produce to wholesalers, to local shops, on farmers’ markets or at their gate stalls (gate sales increased for several growers during the last years). Many small organic growers did not like to sell to supermarkets for different reasons.

181. AQ, SS, f B
   The market is growing.
182. AQ, MS, f HC
   It is hard to meet the demand for organic saffron overseas, so we try to encourage people to grow it.
183. OFNZ p, SS, f group
   We are selling small amounts of vegetable, and there is definitely a demand for it. In fact we can’t meet the demand but we are hopeful that more people will come on board and help to meet it.
184. OFNZ i, SS, F P
   I am fairly well known. So, I get people ringing me to get my products. People come to me.
Chapter 6
Discussion and Conclusion

6.1 Introduction

The aim of this study was to determine the effects of organic certification on farmers’ livelihoods, to compare these effects for different certification schemes and to identify other topics related to organic certification that are of major importance for New Zealand organic farmers. The effects of certification schemes on farmers’ livelihoods were categorised with the help of the Sustainable Livelihoods Approach. The method for the data collection was qualitative, with semi-structured interviews used to gather information.

This chapter provides the reader with answers to the research questions raised in Section 1.3. It summarises the effects of certification schemes on farmers’ livelihoods (from the ‘results’) in Section 6.2 (research question 1). Section 6.3 compares the certification schemes according to their effects on farmers’ livelihoods (from the results) (research question 2) and discusses these. Other important issues for organic farmers are briefly discussed in Section 6.4 (research question 3). From these discussions, implications for policy and future research are drawn and described in Section 6.5. Section 6.6 describes the limitations of this research and the research implications that follow from this. The results are then linked back to the international context in Section 6.7, and the conclusion (6.8) summarizes the main results of this study.

6.2 Effects of certification on farmers’ livelihoods

The detailed and extensive results described in the previous chapter (5) have been summarised into the main findings regarding the effects of certification schemes on farmers’ livelihoods (Table 6-1, next page). These effects of the certification systems will be compared and discussed in detail in the next section.
| Livelihood Goals | 1. There were four main motivations to grow organically:  
- philosophy and environment  
- health  
- profit  
- satisfaction  
2. The main reason for certification was market orientation (to meet market and consumer requirements, to ensure credibility of products, and to receive a price premium).  
3. The certification body was chosen primarily for economic reasons, but also for the service provided, the philosophy and recognition, and for time reasons. |
<table>
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<tbody>
<tr>
<td>Livelihood Strategies</td>
<td>4. Farmers had diverse income sources and production systems.</td>
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<td>Livelihood Assets</td>
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</table>
| Financial Capital | 5. The farm income was a secondary goal for many farmers but they were cautious about their expenditures and losses.  
6. The certification fees were generally perceived as too high. For some it seemed unjust that organic farmers had to pay them. |
| Social Capital | 7. Some farmers found it difficult to find useful networks (which was influenced by their location and production sector).  
8. BG and AQ give technical advice but do not generate networks.  
9. The OFNZ certification system was strong at promoting grower interaction through:  
- Peer reviews: to build networks, share resources and information, get support, find discussion partners and feel less isolated.  
- Regional groups: as a meeting and information point for everyone interested in organic systems. |
| Human Capital | 10. The farmers used various sources of technical information (the preferred option was personal one-on-one information, but other options were also used)  
11. The access to appropriate information was seen as most important when the farmer starts with organic cultivation.  
12. Some advice was obtained as part of the certification procedure (BG, AQ)  
13. OFNZ had the best network of advice, gave support in the critical first phase but had some limitations regarding the level of expertise. |
| Time Capital | 14. Time was an important and rare asset for the farmers. The lack of time was a constraint.  
15. Certification and auditing was not very time consuming for TPC but was perceived as time consuming for the OFNZ peer reviews by some farmers. |
| Physical | 16. Small-scale farmers face high costs for specialised inputs and |
Capital equipment. Some OFNZ farmers addressed this constraint by collectively purchasing inputs and machinery.

Certification Structures

**Control**
- 17. Certification quality was maintained by structural factors encouraging honesty and compliance (thorough audits and committed growers).
- 18. Peer reviews were sound (thorough audits, committed growers, peer pressure and support) but farmers’ knowledge was crucial.

**Volunteers**
- 19. The volunteer structure of OFNZ is a strength (keeps the costs low, is participatory) and a potential weakness, as OFNZ may evolve to require paid staff, if not enough volunteers are found.
- 20. Membership recruitment and fundraising were the suggested solutions to a lack of volunteers.

Structures and Processes in Organic Certification

**Number of certifiers and standards**
- 21. There was vigorous debate about the desirable number and type of certification systems and a variety of positions were taken (only one certification body, only one standard administered by one or more CBs, many CBs for some competition, no separate standard for OFNZ).

**Labels**
- 22. Labelling of organic produce was seen as crucial but the consumer recognition of labels was unclear.

**Vulnerability**
- 23. The main external threats were relatively minor: there were no big problems with certification, some with the production, and none with marketing.

6.3 Comparison of the three certification schemes

This section discusses the main differences between the examined certification systems with regard to the effects on farmers’ livelihoods (Section 6.2). Table 6-2 is a summarized comparison of the three certification schemes in terms of their impacts on farmers’ livelihoods. It shows the aspects that were different between the certification schemes and only looks at OFNZ, BG and AQ explicitly; the OFNZ individual and BG domestic scheme would belong into the TPC column. The text below the table discusses the differences of the certification schemes in the same sequence as they appear in the table. Where the discussed topics have implications for future research or policy, these are mentioned and marked with arrows, and the reader is referred to the list of implications in Section 6.5.
### Table 6-2: Comparison of the three certification schemes

<table>
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<tr>
<th></th>
<th>PGS</th>
<th>TPC</th>
<th>OFNZ</th>
<th>BG</th>
<th>AQ</th>
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<tbody>
<tr>
<td><strong>Farmers’ choices of the certification body were mainly influenced by:</strong></td>
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<tr>
<td>- Economic considerations</td>
<td>- Philosophy</td>
<td>- Economic considerations</td>
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<tr>
<td>- Group structure</td>
<td>- Recognition</td>
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<td><strong>Social Capital</strong></td>
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<tr>
<td>OFNZ establishes formal networks and farmers have the benefit of support and networking through the certification.</td>
<td>BG and AQ farmers rely on informal networks and a few sector specific formal farmers groups (not established through certifiers) and have no additional support through the certification.</td>
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<tr>
<td><strong>Human Capital</strong></td>
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<tr>
<td>OFNZ formal groups are good sources of information and advice but there can be a lack of expertise in OFNZ.</td>
<td>BG and AQ provide some information (mainly on technical issues) through the audits and office, there is no lack of expertise but they cannot give any advice.</td>
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<tr>
<td><strong>Time Capital</strong></td>
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<tr>
<td>OFNZ peer reviews were perceived as time consuming and were a reason to change to TPC.</td>
<td>BG and AQ certification was not very time consuming for the farmers.</td>
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<tr>
<td><strong>Physical Capital</strong></td>
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<tr>
<td>(machinery for organic cultivation was perceived as a problem)</td>
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<tr>
<td>OFNZ farmers share some machinery and inputs in the group (Pod).</td>
<td>BG and AQ farmers do rarely mention this problem and probably find individual solutions.</td>
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<tr>
<td><strong>Control (Inspection)</strong></td>
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<tr>
<td>Audit includes peer reviews (in Pods, peer pressure), independent auditor and the certification committee. Possibly gaps in expertise of Pod members.</td>
<td>Audit includes external, independent auditor and certification committee. Only external control, no ‘formalised’ peer pressure.</td>
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<tr>
<td><strong>Volunteers</strong></td>
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<tr>
<td>The lack of volunteers (and time) can threaten the stability of OFNZ.</td>
<td>This is no problem for the TPC certifications but for all activities in the organic movement that rely on volunteers.</td>
<td></td>
<td></td>
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<tr>
<td>⇒ Supports networks, small-scale, participatory, and community based agriculture</td>
<td>⇒ Supports business and export oriented agriculture</td>
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</table>
The choice of the certification body was influenced by different motives (goals) of the farmers (Section 5.2.3). Although the decision to be certified at all was led by marketing considerations, the choice of the certification body and system was influenced by different motives: OFNZ farmers mainly considered the financial costs of certification but also the benefits regarding the group structure, AQ farmers chose the cheaper and business-oriented scheme, and BG farmers stayed with BG because of its recognition and strong organic philosophy. Some of the motives that influence the choice of a certification body are similar to the reasons that farmers gave for growing organically: the economic and philosophical considerations. There is, however, no direct correlation between the general goals pursued through growing organically and the motives given for the choice of the certification body. This means, for example, that, even if the certification body was chosen for financial reasons, the overall goal for growing organically can still be philosophical.

The most significant differences between the certification systems exist in their effects on the social and human capital of the farmers. Concerning the social networks, OFNZ actively supports and establishes formal networks between farmers through the peer reviews and the regional groups, whereas BG and AQ leave the formation and finding of networks up to the farmers. Yet, this does not mean that BG and AQ farmers do not have any networks, they usually have informal networks and sometimes belong to farmers’ groups established outside the certification system. The implications of the (non-)establishment of formal groups are not clear. All OFNZ (Pod certified) growers found the support (information and product sharing, mutual support and encouragement) they get through their Pod very positive and encouraging and the established network was very important to them. However, the TPC farmers rarely mentioned any lack of support and networks. Only the scarcity of specific farmers’ groups on the South Island was brought up, yet, nobody expressed an urgent need for them as most farmers had their established informal networks.

According to several farmers, networks and groups are needed most when they start with organic cultivation, but all interviewed TPC farmers had already been certified organic for several years. Therefore, further research with TPC growers who are just starting with organic cultivation may be necessary, to see whether they might benefit from more formal networks (Implication 1a).

The social capital in terms of networking is closely related to the certifications’ effects on the human capital, especially where information and advice are concerned. Third Party Certifications cannot give any advice; they only provide some technical information and make recommendations to their farmers. Although this information can be really helpful on one hand, it leaves a lot of information gathering up to the farmer, which they either did via media (such as books, the internet and suchlike) or through their established networks (which seemed to be the preferred option). Therefore networks have a very important role in providing and especially in sharing knowledge and information between the farmers. As OFNZ establishes formal networks between farmers, it also fosters their knowledge sharing and access to information. However, the technical expertise of OFNZ networks and certification staff can be limited, so these should not be the only access to information for small-scale farmers. It was not in the scope of this research to determine whether these structures put OFNZ farmers in a better or worse situation compared to AQ and BG farmers, who set up their personal networks but the networking and knowledge sharing were emphasized as an important and valuable aspect by all OFNZ growers.
OFNZ provides a helpful network structure for its farmers. Support and information provided by these networks are (according to the farmers) most needed when they start with organic cultivation, which is when OFNZ provides it. Therefore, OFNZ has the structure to help growers in the most important stage. Yet, OFNZ has some constraints concerning their technical expertise. To cope with this problem, one could either strengthen the capacity of OFNZ through financial support (that enables them to employ more qualified staff) or build links between OFNZ and the planned advisory system for New Zealand organic farmers (Implication 1b).

Regarding time, which was added to the original five livelihood assets, all growers appeared to have very little spare time besides their daily duties on the farm. Nevertheless, the time needed for TPC was not perceived as an additional burden. Several OFNZ growers, however, mentioned the amount of time involved in the peer reviews as a problem. The general ‘lack of time’ described by the farmers can have several implications for different areas in the organic movement. It can restrict the willingness of organic farmers to invest time in any voluntary activities. This could pose a threat to the volunteer-based OFNZ structure on the one hand, but on the other hand it also influences the structure and existence of farmers’ groups and similar volunteer-based activities and organisations in general. The observed lack of time corresponds with the view of a certifier who saw a general trend of people having more money than time (citation 92) and might mean that paid advice will be a preferred option in the future.

This study is based on the views of relatively few farmers, and further research would be needed to determine if the ‘preciousness of time’ is a general trend. If so, the advice systems should take into account that few people are prepared to invest a lot of time in finding information. It can further imply that farmers’ groups and OFNZ have to be organised in a slightly different way in the future (e.g. increased membership fees, more paid staff than volunteers) (Implication 2).

A lack of machinery for organic agriculture and difficulties to find organic inputs were mentioned by several farmers. Some of the OFNZ Pod certified growers solved this problem by buying machinery or inputs collectively, and some farmers thought about a communal hire service. AQ and BG farmers on the other hand seemed to find individual solutions.

Further research could determine whether there is a lack of machinery and inputs for organic agriculture, what exactly is missing (type of machinery and inputs), who needs it (small or large-scale farmers) and what the possible solutions are (e.g. hire service) (Implication 3).

The control mechanisms of all certification systems appear to be sound and seem to ensure compliance with the standards. The only problem that could occur for OFNZ is a lack of inspection skills by farmers for the peer reviews. However, this is a minor issue as farmers are trained by OFNZ and an audit is done by an external inspector to ensure the group compliance. For all certification schemes, the controls were described as thorough and growers complied with the standards in their own interest.

For OFNZ it is important to ensure the continuous training of farmers for the inspections and audits (Implication 8).

Overall, the certification systems seem to meet their growers’ needs. OFNZ caters for their organic growers, in that it gives small-scale farmers the opportunity to grow and sell certified organic produce in their region and thereby supports local sustainability. Therefore, it is important to ensure OFNZ’s long-term stability. Also AQ and BG cater for their respective
growers’ needs and their slightly different standards and structures appeal to different groups of growers.

- The fact that every certification system supports a slightly different group of farmers may be an argument to keep the number of certification systems in New Zealand stable and not to try to reduce their number by combining them in one certification, as has been suggested by several farmers (Implication 4).

- Financial aid is needed to ensure the stability of OFNZ, especially in regions with few members (Implication 8).

However, all certification schemes could try to improve their co-operation to make several aspects of certification easier for the growers, such as changes between the certification schemes, compliance issues and acknowledgement of other certification schemes for processors. This could improve the attractiveness and feasibility of organic certification for the farmers, and in this way, may well support the further development of the whole organic sector in New Zealand.

- Improve the co-operation of all certifiers to tackle issues like the changes of growers between the schemes and necessary cross-certification for producers (Implication 4).

### 6.4 Other important issues

There were only a few other issues that are not covered in the above section. The labelling of organic produce was a common concern of all organic growers. The main issue was the sale of non-certified produce as organic, because the respective producers do not follow the strict requirements of organic certification and their products may still contain residues of agrochemicals. This can reduce the consumer trust and recognition of all organic produce (whether certified or not).

- The growers called for either a code of practice or a law to protect the word ‘organic’, which only allows certified producers to sell their products as organic (Implication 5).

Another aspect connected with organic labels is their consumer recognition. None of the growers and certifiers could estimate the recognition of their label by the customer. Although many farmers believed that BG was the best recognised label, nobody was certain. It was not clear whether it is important to the consumer, which label they find on their products as long as it is certified.

- Further research into the consumer behaviour and the importance of organic labels would be helpful. This could for example help to estimate whether a uniform New Zealand organic label can support the marketing of organic products (Implication 6).

The fees that have to be paid for certification were definitely an emotive and important issue for many farmers. They were perceived as unjust and hindering the development of sustainable organic instead of conventional agriculture.

- This issue could be addressed by policy makers through either directly supporting organic farmers or through internalising some of the environmental costs that conventional farming causes (Implication 7).
6.5 Implications for policy and future research

This section provides an overview of the implications that have been mentioned in the last two sections (and were marked by arrows). It does not contain major new information.

1. Networks/ advice/ information:

   The availability of farmers’ groups and other structures to obtain information on organic cultivation systems depends a lot on the region (location) of the farmers. To be able to fill these gaps in information structures, more research on their distribution is needed. It should also be considered that information and advice is needed most by the farmers when they start with organic cultivation.

   (a) TPC:
   According to several farmers, networks, farmers’ groups and information are needed most when they start with organic cultivation, but all interviewed TPC farmers had already been certified organic for several years. Therefore, further research with TPC growers who are just starting with organic cultivation may be necessary, to see whether they might benefit from more formal networks.

   (b) OFNZ:
   OFNZ provides a helpful network structure for its farmers. Support and information provided by these networks are (according to the farmers) most needed when they start with organic cultivation, which is when OFNZ provides it. Therefore, OFNZ has the structure to help growers in the most important stage. Yet, OFNZ has some constraints concerning their technical expertise. To cope with this problem, one could either strengthen the capacity of OFNZ through financial support (that enables them to employ more qualified staff) or build links between OFNZ and the planned advisory system for New Zealand organic farmers.

2. Time:

   This study is based on the views of relatively few farmers, and further research would be needed to determine if the ‘preciousness of time’ is a general trend. If so, the advice systems should take into account that few people are prepared to invest a lot of time in finding information. It can further imply that farmers’ groups and OFNZ have to be organised in a slightly different way in the future (e.g. increased membership fees, more paid staff than volunteers).

3. Machinery:

   Further research could determine whether there is a lack of machinery and inputs for organic agriculture, what exactly is missing (type of machinery and inputs), who needs it (small- or large-scale farmers) and what the possible solutions are (e.g. hire service).

4. Number of Certification Bodies:

   It seems that all certification schemes cater for a slightly different group of farmers and through the introduction of OFNZ have managed to include a broad range of farmers into (certified) organic production. The fact that every certification system supports a slightly different group of farmers may be an argument to keep the number of certification systems in New Zealand stable and not to try to reduce their number by combining them in one certification, as has been suggested by several farmers. However, it would be
helpful for the farmers as well as for the organic movement in New Zealand if the certification organisations could increase and improve their co-operation and tackle issues like the possibility of changes of growers between the schemes and necessary cross-certification for producers.

5. **Organic vs. Certified Organic:**
   The farmers expressed a need for a code of practice by retailers and on farmers markets that ensures all produce sold as ‘organic’ is certified organic. Another possibility would be to pass a law that protects the word ‘organic’.

6. **Labels:**
   Further research into consumer behaviour and the recognition of organic labels would be helpful to determine whether a uniform organic label for all New Zealand would support the marketing of organic products.

7. **Fees:**
   The fees for organic certification are perceived as unjust and put organic farmers at a disadvantage compared to conventional farmers. Organic farmers feel that they contribute to sustainable development and should be supported and not hindered. This issue could be addressed by policy makers through either directly supporting organic farmers or through internalising some of the environmental costs that conventional farming causes. There are different suggestions on the actions that could be taken, such as introducing compulsory audits for the use of agrochemicals, or supporting organic farmers through some government subsidy.

8. **OFNZ:**
   For OFNZ it is important to ensure the continuous training of farmers for the inspections and audits. OFNZ already provides good support and advice for its farmers but some regions have difficulties in finding enough members, thus coming under pressure to acquire sufficient funds. To ensure the financial sustainability of OFNZ, financial aid is needed. Financial support could be used to employ somebody and thereby get more growers involved and it could help to build a good basis of technical knowledge in OFNZ.

6.6 **Limitations of this study and their implications for future research**

To provide a holistic and encompassing insight into the issues connected to certification schemes and farmers’ livelihoods in New Zealand, the research questions of this study had to be very broad. Through this broad research design, numerous issues around organic certification could be identified but not described in detail. For future research, the issues identified in this study could be separated and grouped, so that a follow-up study could focus on only one or two of these categories. This could make an in-depth study with a greater sample size more feasible. Through this, follow-up research could attain more exhaustive research results and allow for more generalisations than were possible on the basis of the small sample in this research. Therefore, if issues raised in this study are to be researched in more detail, this should be done on a larger scale, getting input from more farmers across several regions, production systems and scale. A national survey could be very helpful for some issues that are of major importance. In Section 6.5 some research topics for future research were suggested. This list of topics may not be exhaustive and
possibly further research topics can be added. Some future research questions following from the implications in Section 6.5 could be:

- What are the gaps in information, advice and support structures and how are they distributed (e.g., are there more gaps on the South Island)?
- Do TPC growers who are just starting with organic cultivation need more support?
- Is the ‘lack of time’ a general trend among organic farmers, and what are the further implications of this?
- Is there a lack of machinery for organic cultivation, and what are possible solutions?
- What is the consumer recognition of organic labels and how can these influence organic markets?

6.7 International context

To put the results of this study into the international context, this section looks back at the literature review and compares the international situation with some of the results found for New Zealand. Most of the advantages and disadvantages of PGS mentioned for the international context (see Table 2-2) can be confirmed for New Zealand, although there is a major difference in that New Zealand shows no lack of formal recognition for its PGS. OFNZ is still a relatively ‘young’ certification scheme but nonetheless, is acknowledged and relatively well recognised on the local market. This recognition and credibility is very important for any certification scheme. For OFNZ, to use a standard that was already established in New Zealand (the BG standard) probably helped to foster its recognition.

This study looked mainly at PGS (OFNZ) and TPC (AQ, BG) but in the literature review (Section 2.4) three different types of certification schemes were mentioned. Group Certification was not included in this study because, until now, it only exists in developing countries. Group Certification is similar to PGS but puts more emphasis on the group structure; farmers market their products together as a co-operative and hold the certificate as group instead of individually as in the case of PGS. However, Group Certification would probably be unsuitable in the New Zealand context for the following reasons. In New Zealand, the organic farms are often far apart and have very different production systems, so that marketing in groups with similar production would not be feasible. Already some Pod members of OFNZ mention that it is hard to co-ordinate the meetings for the annual peer reviews. But Group Certification would require even more meetings and working together to be able to organise a marketing co-operation. Therefore, Group Certification would probably require too much time and too many compromises from the farmers. For developing countries, the situation can be very different and Group Certification may be a very good option but further research is necessary before any final conclusions can be drawn on this topic.

6.8 Conclusion

In New Zealand, the introduction of a PGS appears successful and meets the needs of many small-scale organic farmers and offers a range of benefits to its farmers. The success of OFNZ in New Zealand can be an example for other developed countries, where small-scale farmers are still excluded from organic certification because of the high fees for TPC. If such a system were to be introduced in another developed country, its chances of success might be maximised by incorporating the issues raised in this dissertation. However, it has to be kept in mind that farmers’ livelihood goals, strategies and assets can vary considerably for different
contexts (countries) and further research will be necessary if the results of this dissertation are applied in another country.

As each certification scheme in New Zealand caters for a specific group of farmers, none can be labelled better than another. It was also not the aim of this study to do so. Rather, all certification systems that were part of this study contributed to the ‘success’ of their farmers, when success is defined as the achievement of the farmers’ livelihood goals. This may partly be due to the fact that farmers made their choice of certification bodies according to their livelihood goals and strategies, and so actively aligned themselves to their personally most rewarding certification bodies. The TPC schemes (AQ and BG) formed the basis of success for many large and medium-scale farmers. They accommodated complex and large but also some smaller production systems and allowed for the export of products. They generally supported business and export oriented agriculture. On the other hand, the PGS (OFNZ) was very important for the success of small-scale farmers, supposedly due to the good support systems achieved through its group structure. It was supportive of networks and participatory and community based agriculture. The TPC for small-scale farmers (OFNZ individual, BG domestic) were an important option for people who preferred the individual ‘style’ of farming and certification.
References


Appendix 1

Original set of interview questions for farmers

Categorization of the farm

1. Could you please tell me some general facts about your farm?
   - size, production, financial situation, workers (family, others)
2. Since when have you grown organically?
3. Why are you farming organically?
4. What are the major problems (risks) you face in organic agriculture?

Certification

5. Which certification do you have now?
   - Did you belong to another one before?
6. Why is certification important for you?
7. What are the benefits of certification in general (profit, networking, farm planning)?
8. Why did you choose this particular certification?
   - What do you think about the other certification schemes?
   - How important was the financial aspect (costs, income through certification) in choosing your certification?
9. How does the certification work (for you)?
   - How much work is involved?
10. What do you gain through this certification?
    - financially, socially, learning aspects etc.
11. Are there any difficulties and risks with your certification (or certification in general)?
12. How do you get information about growing organically?
    - books, neighbours, extension workers
    - Should certification and extension be strictly separated?
13. How would you describe the relationship between organic farmers in this area?
    - mutual support, networks, information sharing etc.
14. If you could, what would you change in certification (in general or ‘your’ system)?
15. Could you please describe the influence you have on the certification and standards?
    - Are you satisfied with that?
16. How independent and objective is the certification?
    - Should it rather be more or less independent?
17. For someone who wants to, would it be easy to ‘cheat’ and become certified organic without complying with the rules?
    - Is that an issue at all?
18. Is there anything you would like to add?

Original set of interview questions for staff from the certifying organizations

1. Could you please describe the certification system you are working for?
2. How are you involved (inspection, administration, others)?
3. Why is certification important for organic farmers?
   - What are the benefits (profit, networking, farm planning)?
4. How much work is involved for farmers and how much for the certifier?
   - Is that different between the certification systems?
5. What are the biggest difficulties with certification?
   - for the farmers / certification body.
   - time involved in paperwork / control and inspection?
   - non-compliance of farmers – in which aspects?
   - Others?

6. How do farmers get information about growing organically and the organic standards for compliance with this scheme?
   - books, neighbours, extension workers
   - Should certification and extension be strictly separated?

7. How would you describe the relationship between organic farmers in this certification scheme?
   - mutual support, networks, information sharing etc.
   - Can a certification scheme foster these relationships?

8. What kind of influence do farmers have on the certification process and standard setting?
   - Should they have any at all and why or why not?
   - How independent and objective is the certification?
   - Should it rather be more or less independent?

9. For someone who wants to, would it be easy to ‘cheat’ and get certified organic without complying with the rules?
   - Is that a big issue?

So overall,

10. What do you think about participatory certification in comparison to externally controlled certification?
    - Can it work and ensure compliance?
    - In which aspects does it differ from the other schemes?
    - What are its benefits and shortcomings?
    - Is it needed and how?

11. Is there anything you would like to add?
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