

2016. Mar 9

Direction of Taiwan's New Organic Regulation





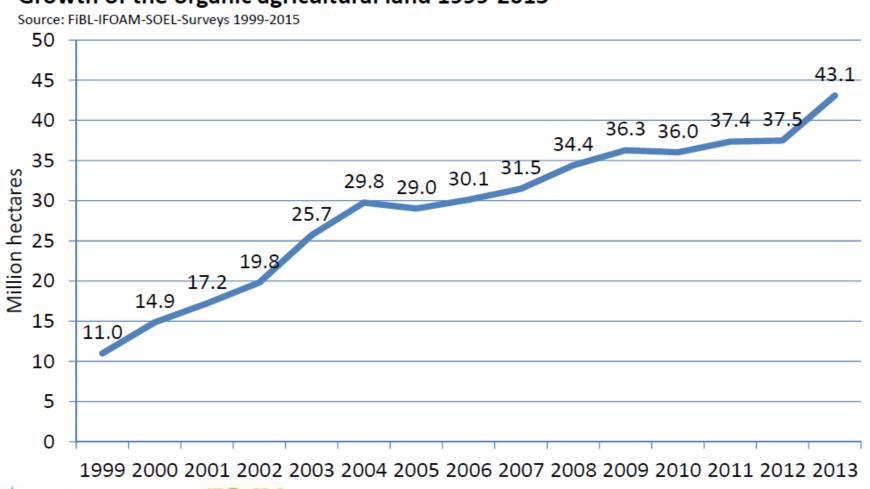
Definition by IFOAM

- Organic agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects.
- Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved.



Growth of the International Organic Agricultural Land

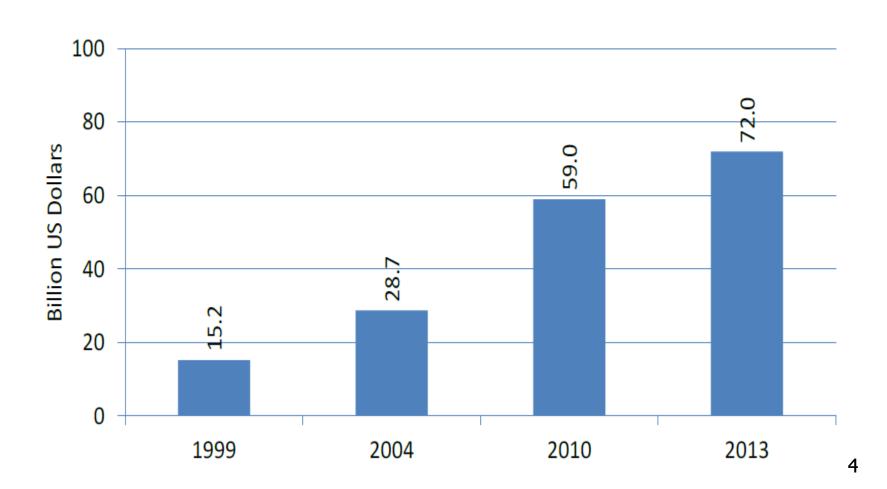
Growth of the organic agricultural land 1999-2013



Growth of the Global Market for Organic Food and Drink

Growth of the global market for organic food and drink 1999-2013

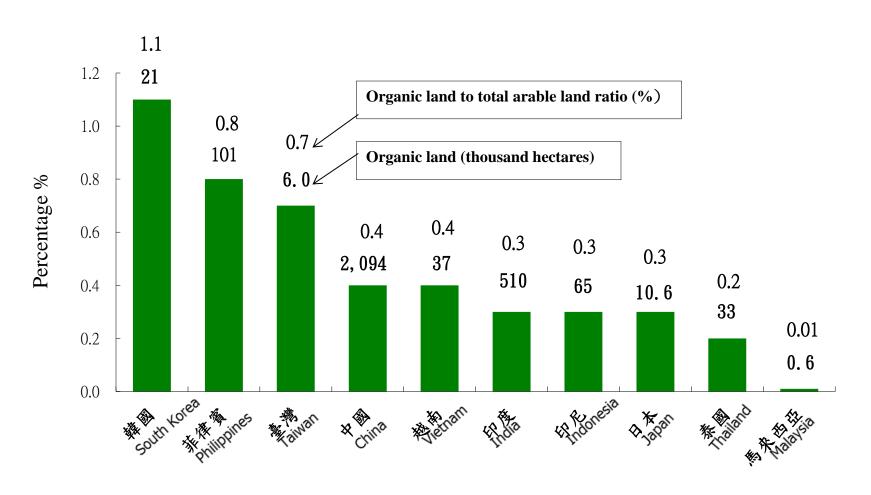
Source: Organic Monitor





The Development Status of Organic Agriculture for Asian-Pacific Countries

in 2013



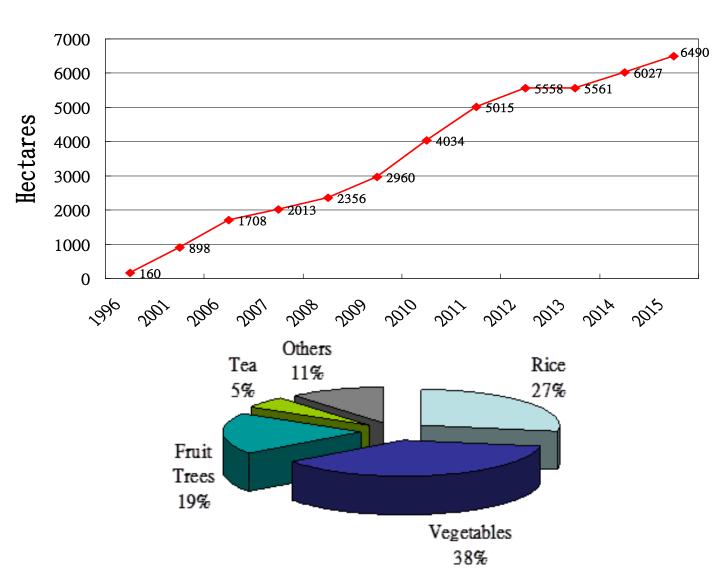


Development Status of Taiwan's Organic Agriculture

- 1996 Taiwan started promoting organic cultivation
- 2007 the land of promotion reached 2,013 hectares and the number of organic farmers was 936.

- 2007 the "Agricultural Production and Certification Act" was official implemented to administer organic agricultural products.
- 2008 the Executive Yuan approved the "Quality Agriculture Development Program" to include organic agriculture as the main appeal in healthy agricultural policy, and set the goal of multiplying the land in 4 years.
- 2012 The Government incorporated "the Golden Decade -LOHAS Agriculture" to continue promoting.
- At the end of 2015 a total of 6,490 hectares of land have passed organic certification and the number of certified farmers is 2,598 with an average scale of 2.5 hectares. There are 360 organic process and distribution companies.

Taiwan's Certified Land for Organic Agricultural Products Over the Years





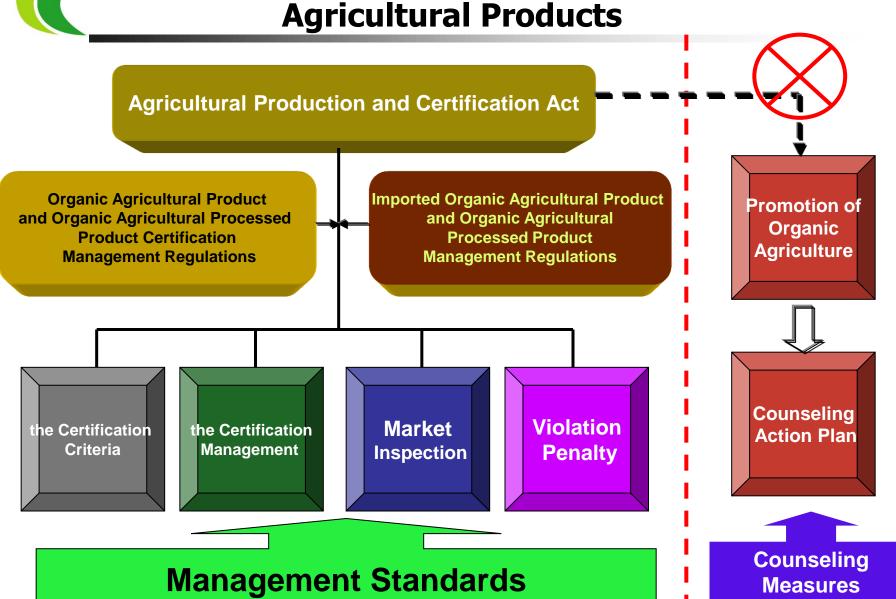


The Challenges

- 1. Serious aging and outflow labor force for rural village. Farmers are used to traditional cultivation which is difficult to change.
- 2. High initial investment costs in organic agriculture and farmers lack the relevant cultivation technology.
- 3.Organic field is subject to contamination risk from neighboring field.
- 4.Organic agricultural uses materials are with high costs and are with inconsistent quality.
- 5. Organic agricultural products need to expand market channels.

6.Consumers' knowledge on organic agricultural products are insufficient.

Current Regulatory Framework for Organic Agricultural Products





Formation of the Organic Agriculture Act

Agricultural Production and Certification Act

- □ chemicals shall not be used
- no uses any misleading expressions
- □ violation penalty

Management & Penalty Development & Promotion

Organic Agriculture Promotion Act Draft

- ✓ organic agricultural promotion solutions
- ✓ In pursuit of the harmony between agricultural production and ecosystem, establishing professional organic farming zones, helping organic operators, making production and marketing plan, researching and education
- ✓ The budget restructuring

22 organic equivalence countries

- the problems of recognized unilaterally of organic equivalency
- the process of import review
- identify the quality of imported products

Follow
International
Trend

Industry Demand

Organic Stakeholder

- ■organic farmers
- ■organic experts
- **■**consumers
- **■**certification bodies





The Organic Agriculture Act New Direction

Include Promotion & Marketing Measures in the Act

Promote the development of organic agriculture

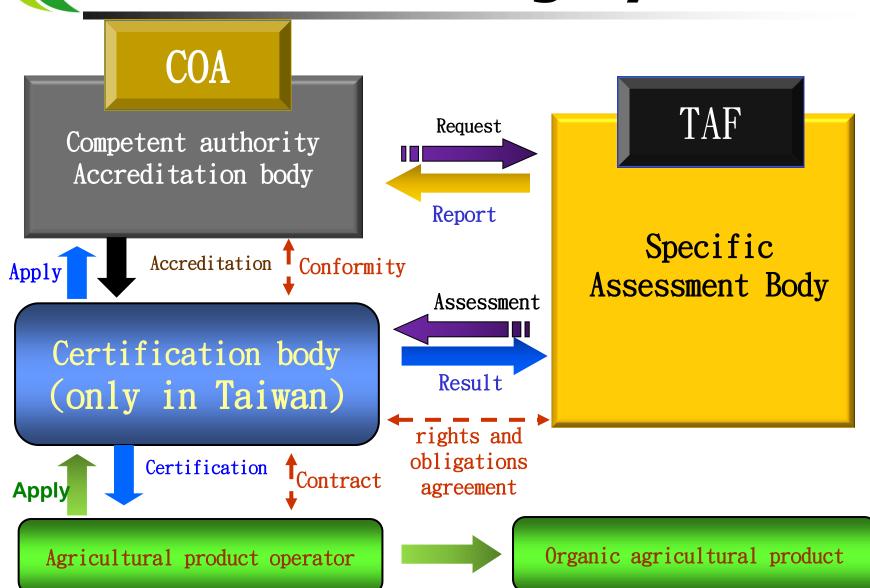


- In pursuit of the harmony between agricultural production and ecosystem
- Reduce stress on the ecosystem, maintain biodiversity
- Based on the balance between production& marketing
- Propose organic agricultural promotion solutions in every 4 years
- Establish professional organic farming zones
- Provide proper assistances for the certification fees, the technology upgrade, marketing channel expansion, productionmarketing facilities (equipment), material loan
- Provide incentives for the breeding activities and seedling production of organic agriculture.
- Establish farmers' market
- Make the organic agricultural products accessible to consumers
- Improving production techniques
- Participate in international organizations and international cooperation affairs

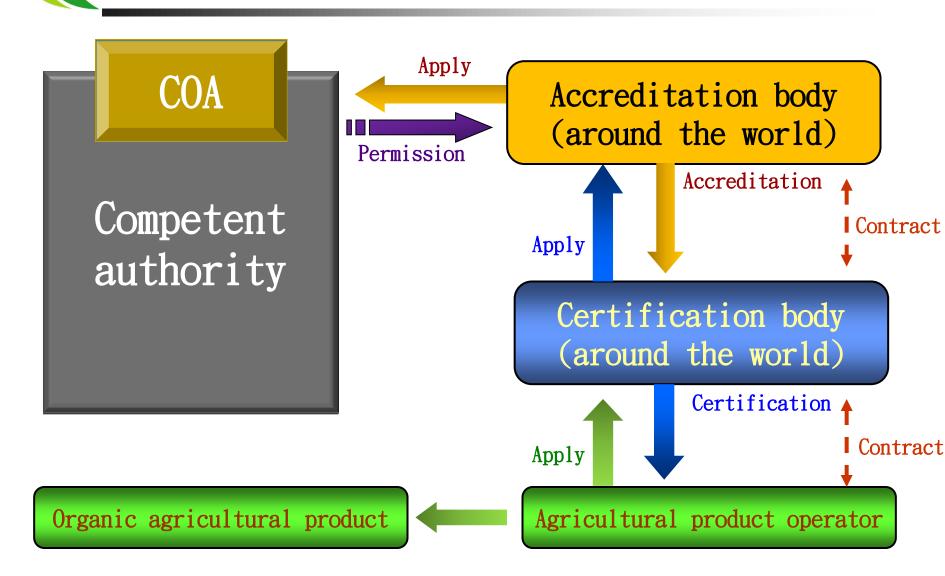
Counsel for organic products production& marketing



Taiwan Grading System



NEW Taiwan Grading System



Imported Organic Agricultural Product Management

A country or a WTO member signed the bilateral agreement with Taiwan

CB accredited by the country or the WTO member

Within the territory of the country or WTO member, the organic products certified by CB

The accreditation body (AB) get the permission from the competent authority(CA)

The certification body (CB) accredited by AB

In designated country, the organic products certified by CB

The importers apply for review conformance from CA

→ get the organic labeling approval document

import

Sale as organic in Taiwan



The Grace Period of the New Act

- Prior to the implementation of the act, countries with equivalence announced by the Central Competent Authority not signing the bilateral organic equivalence mutual recognition agreement or treaty with Taiwan in one year after the implementation of the act, the Central Competent Authority shall announce the abolishment of equivalence recognition accordingly.
- The certified conformance agricultural products were imported prior to the announcement for abolishment of equivalence recognition specified in previous paragraph enters into force, may still use the term of organic for labeling, display or advertising.





Thank you for listening