

Call for expressions of interest in developing a strategy for the organic sector

Background

The government believes that there is scope for growth in the organic sector* and that to help facilitate this the sector should develop a strategic plan. The government has made funds available, through MAF, for this purpose.

At present, the organic sector in New Zealand is believed to produce around \$120 million worth of products a year with about \$70 million being exported. This amounts to about 0.7% of our exports in agricultural and horticultural products.

The strategic plan should identify goals for the sector and plans to enable these to be achieved. It is anticipated that the strategic plan will focus on the commercial development of organic markets, both domestic and international, building on those already developed – for example in the pipfruit, kiwifruit and processed vegetable areas - and on processing and production to support those developments.

Who is expected to undertake this work?

Consultants, either individually or in teams, with expertise in the international agricultural and horticultural areas should consider applying.

Time-frame

Expressions of interest are to be with MAF by 22 February, 2002 and the contract will be let by 1 March. The strategy is to be completed by December, 2002.

Funding

The maximum funding available for this initiative is \$80,000 (GST inclusive).

The following terms of reference have been developed by a sub-group of the Organics Working Group as a guideline for would-be contractors. Applicants in developing their proposals should not feel constrained by them.

* The “organic sector” is comprised of many sub-sectors united by their use of organic production systems. In this document “organic sector” is used in the broadest sense.

TERMS OF REFERENCE

1. Mission Statement

To develop a strategic plan, ready for immediate implementation, in which goals, expressed in objective terms, are established with achievable steps, setting out how

New Zealand can in the long term (20 years) become pre-eminent internationally as the recognized world leader in the production and marketing of organic foods.

Problem Statement

- 1.1. The current industry does not have a shared vision of the market in which it is competing now and in the future nor a vision of New Zealand in that marketplace and as a consequence what the sector needs to look like in the future.

Nor does it understand how competitive advantage can be used in order to capture the advantages and opportunities for New Zealand. The sector needs a value proposition.

- 1.2. Because of New Zealand's unique geographic isolation and biosecurity systems it has a record of being free of major diseases and pests such as Foot & Mouth and BSE. It is also recognized as a major producer/exporter of quality food products to the world. Currently New Zealand producers/marketers of organic foods are required to conform to standards set by other nations, if they want access to those markets e.g. IFOAM in Europe, USDA in the United States and JAS in Japan.

- 1.3. There is a lack of co-ordinated private and public research in the sector. A strategic plan (including clear vision, goals and market analysis) would provide the industry with the means to prioritise research needs and the basis for engagement with research agencies. Emanating from a clear vision, objective goals and the market analysis research needs to be prioritized, short and long term, and MoRST, FRST and other private entities engaged.

- 1.4. The strategic plan will need to include an evaluation of the risks confronting the marketing, processing and production components of the organics value system and the degree to which industry viability is dependent on product premiums relative to "conventional" products. The extent to which these risks can be mitigated by improved knowledge, and the role of research and extension will be important in this regard.

- 1.5. The consultant should have regard to any factors which may constitute barriers to the uptake of organic practices by leading farmers and processors. For example, the image of organic agricultural systems and food processing techniques has not always been ideal and, in some instances, organics has been perceived as reminiscent of a "hippy fringe". The image could well be changed to that of those (many) organic producers who perceive themselves as producing to a set of market specifications.

- 1.6. The consultant (in this context "consultant" refers to an individual or a team), will need to recognize the particular role Maori have in contributing to the Strategic Plan. The development of the Strategic Plan would encompass the position of Te Waka Kai Ora, [soon to be re-established as the national Maori Organics Association]. Specifically, this would then ensure Maori organic production is part of the Strategic Plan for the Organic Sector. This should reflect the future direction of Te Waka Kai Ora to developing a kaupapa Maori sustainable economic strategy to:

- Encourage widespread sustainable and organic use
- Enhance the bio-diversity of Aotearoa
- Develop educational programmes to promote sustainable ways of land use

- Develop Indigenous Organic Standards and brand development

Outcomes identified by Te Waka Kai Ora include:

- Providing a safe environment where Maori can produce healthy, safe food for Maori
- Developing a network of Maori organic growers and interest groups
- Ensuring a tikanga based kaupapa is maintained
- Increasing participation by interested growers, including by rangatahi
- Developing a people centred organizational structure.

2. **Specific issues to be addressed**

- The consultant should provide a strategic plan and goals covering the next 20 years but with achievable steps and reviews along the way
- The market place should cover Europe (by main countries), USA, Australia and Japan (and any countries the consultant feels will be of relevance in the next 20 years) and cover organic food products.
- International organic standards and their relevance to the NZ system
- Constraints on organic production
- Provision of technical advice to the sector

The consultant has full authority to recommend whatever is felt appropriate. The consultant is not expected to get involved in the implementation phase per se but recommendations as to how implementation could best be carried out would be expected. The consultant, or project team, has authority to approach any person or organisation in the course of the project. Existing legislation should be taken as read.

3. **Desired outcomes/outputs**

The consultant should address each of the issues set out in Section 2.

4. **Implementation of the Plan**

Implementation of the Plan is beyond the scope of this project and will be the responsibility of the sector.

Undertaking Work under contract to MAF Policy

Background

These notes are provided in order to ensure that potential contractors are aware of what is involved in undertaking contract work for MAF.

The Contracting Process

MAF specifies the work that needs to be undertaken and calls for expressions of interest from providers. These expressions of interest are prepared using a standard format and are not normally expected to exceed four pages in length.

The proposals require statements of programme goal, programme objective, an outline of methodology, supporting breakdown of financial costs and milestones against which the progress of project will be monitored, and the key personnel who would be involved.

These proposals are evaluated by a small group of people.

Final selection of contractors is based on the quality and cost effectiveness of the proposal, and the amount of money available. While some selections of contractors are based on the submissions as received and evaluated, other proposals require clarification and further information/discussion before final selection is made. This has sometimes resulted in a full submission of bids by request.

Contracts

All work purchased by MAF is undertaken within the terms of a contract.

Contract Term

Terms will vary from project to project depending on the work undertaken.

Payment

Typically, payment is by four installments on invoice and the satisfactory completion or re-negotiation of agreed milestones. The first payment is made after both parties sign the contract. The final payment is made on presentation and acceptance of the project report, as an agreed conclusion to the contract.

Milestones

For each project contractors are required to identify three to four milestones and indicate the dates by which these will need to be achieved if the work is to be completed on schedule. Achievement of the milestones will be linked with the payment schedule, and with the agreed physical and reporting achievements.

Work Direction

Objectives and milestones specified in the schedule can be modified by mutual agreement. This clause means that no contractor would be obliged to follow a course of action made redundant or unachievable by discoveries made subsequent to the writing of the schedule.

Reporting

There is an obligation to provide brief reports against agreed milestones. This allows both contractors and MAF to assess the progress of work, and is important for audit purposes.

**MAF POLICY : EXPRESSION OF INTEREST IN DEVELOPING A STRATEGY FOR
THE ORGANIC SECTOR UNDER CONTRACT TO MAF**

2001/2002

1. IDENTIFICATION

Project Code : (Taken from MAF information sheet on topics)

Programme Title : (Maximum of 3 lines of typed text)

Contracting organisation :

Physical address :

PO Box/Private Bag Number :

Suburb :

City :

Country :

Postcode :

Programme Leader :

Title (Prof/Dr/Mr/Mrs/Ms) :

Phone :

Fax :

Email :

2. PROGRAMME GOAL AND RATIONALE

(State the programme goal [in maximum of three lines] and rationale for the work considering allied work already completed or in progress - maximum of one half page)

3. PROGRAMME OBJECTIVES

(Up to 3, each in the format shown below)

Objective 1

Objective Title : (Not more than five words)

Objective Leader : (Research leader for this objective)

Description : (Outline the aims and outcomes expected from this objective.
Maximum of one paragraph.)

Methodology : (Outline the general methodology for this objective.
Maximum of 2 pages.)

4. PERSONNEL

(Starting with the Project Leader, list the key personnel involved with the programme and indicate the full time equivalent % of their time proposed for each objective. Include any anticipated new appointments. For each **key person**, **attach a brief CV** containing relevant information.

Objective No. (Days on Project)

1 2 3 Total

Key personnel

Others

TOTAL (Days work on Project for all personnel)

4.2 Collaboration:

(Identify links with relevant workers/ institutions and indicate how collaboration will contribute to the programme goal. List names of collaborators and areas of expertise).

5. FINANCE

5.1 Sub-contracting:

(Indicate any sub-contracting that has been arranged for this programme, giving the agency, the objective, the proportion of the objective costs sub-contracted, and the total funds sub-contracted by objective.)

Agency	Objective	% (of objective) (NZ \$000)
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5.2 Breakdown of Funding:

(Indicate clearly if broken to objectives and for totalled)

Personnel:

General Operating expenses:

Cost of premises:

Equipment Depreciation/Rental:

Overheads:

GST:

TOTAL:

5.3 Key Milestones:

3-4 milestones for the complete project (not each objective) and date of expected achievement. These will be used for quarterly reporting and payment schedules and should be related to specific achievements and dates.

5.4 Commencement Date: (Specify when research will commence)

5.5 Completion Date: (Specify if different to 31 May 2002)