ACT NO. 20.089 CREATION OF A NATIONAL CERTIFICATION SYSTEM FOR ORGANIC AGRICULTURAL PRODUCTS

Considering that the H. National Congress has granted its approval to the following

Draft Act:

'HEADING I

SCOPE OF APPLICATION

Article 1.- This Act regulates the National Certification System of Organic Agricultural Products, hereinafter referred to as the System.

The purpose of the System is to ensure and certify that organic products are produced, processed, packaged and managed in compliance with the standards of this Act and its regulations.

Article 2.- For the purpose of this Act, 'organic agricultural products' are understood as those coming from universal management systems for production within agriculture, livestock or forestry, which develop and improve the health of the agroecosystem and, particularly, the biodiversity, the biological cycles and the biological activities of the soil.

The certification of organic agricultural products shall be governed exclusively by the stipulations set out in this legal document and its complementary regulation.

Article 3.- The system used shall be one of voluntary registration for all those who participate in any form in the internal and external market of organic products. However, only producers, processors and other participants in the market who are formally registered in the System and comply with its regulations will be allowed to use the expression 'organic products' or its equivalents, such as 'ecological products' or 'biological products' for labeling, identification or description of the products they manage and to use the official seal that expresses this quality.

When selling, be it at fairs, in stores, at local or other markets, by ecological farmers (small producers, families, farmers and indigenous populations) inserted in their own processes of organization and social control and previously registered with the supervising authority, they shall be allowed to have their own alternative systems of certification once the product's traceability and free access to the production or processing areas is ensured to the consumers and the supervising authority. <u>Act 20838</u> ONLY ARTICLE

Official Journal of 30.05.2015

Article 4.- The Agriculture and Livestock Service shall be the competent authority entrusted with the task of supervising compliance with this Act and its complementary regulation, as well as sanctioning the offences indicated in Articles 9 and 10 in accordance with the sanctions and claims procedure specified in Paragraph IV of Heading I of Act No. 18.755. Furthermore, it shall be the task of the Agriculture and Livestock Service to manage and supervise the use of the

official seal to distinguish organic agricultural products, with the possibility to entrust this enforcement to registered certification bodies. The powers that this Act grants to the Agriculture and

Livestock Service shall be carried out by this body, without prejudice to the competences of other public authorities.

HEADING II

THE PROCEDURE

Article 5.- The requirements and protocols to register the different parties involved in the System and to implement the different phases of the operation itself shall be established in a regulation that shall be issued for this purpose and , in this case, by means of technical rules. The aforementioned regulation and technical rules shall be respectively approved and made official by decrees from the Ministry of Agriculture and consequently these will be of a mandatory nature.

The said regulation will have to be issued within ninety days after the publication of this Act.

Article 6.- In order to recognize products as organic agricultural products, the certification of the products that comply with the regulation this Act refers to, will need to be carried out by entities that have been accredited to certify products.

This aforementioned certification shall be carried out in accordance with international standards or equivalent Chilean technical standards, stipulated in the register that the Agriculture and Livestock Service will use for this purpose.

Furthermore, the aforementioned Service shall be able to recognize the certification of imported products that is carried out in accordance with the national certification systems for organic products from third countries.

The regulation shall establish how compliance with the requirements mentioned in the first subparagraph shall be accredited as well as which conditions the staff of the aforementioned entities shall have to fulfil to perform the certification.

Article 7.- The certifications determined in the articles above shall not deprive the Agriculture and Livestock Service of its authority, powers, functions or responsibilities as determined by its organic law and this Act.

Article 8.- In accordance with the stipulations of the second paragraph of Article no. 4, for the registration in the register of certifiers and for the use of the officially authorized distinctive seal for organic agricultural products, the Agriculture and Livestock Service shall be able to charge fees that shall be determined as described under the Article 7( $\tilde{n}$ ) of Act No. 18755.

HEADING III SANCTIONS

Article 9.- The following actions are considered offences and could be sanctioned with fines ranging between 5 and 500 monthly tax units payable to the Treasury:

a) To label, identify, sell or name a product as organic or its equivalent and violate this Act and its complementary regulation, as well as the improper use of the expressions mentioned in Article 2 by the actions of those who do so by any means of publicity for commercial purposes.b) Failure to comply with the standards of the System, possibly causing fraud in the production and sale of organic products.

c) Use containers or packaging that carry the expression 'organic product' or its equivalent for products that do not meet that condition.

Article 10.- A sanction of suspension for ten to ninety days from performing the function of certification as well as fines ranging between 25 and 500 monthly tax units shall apply to the certifiers who engage in any of the following actions:

a) Issue reports or certificates for products that have not been inspected.

b) Not follow, or inadequately follow the procedures and protocols on supervising and inspecting the products which must be inspected.

c) Take part in any action or omission that may produce an error in the conditions of a certified organic product.d) Hide or withhold the information required by the

Service during an audit or inspection process.

The same sanctions will apply to those who perform the activity of certifier of organic products without the official authorization or to anyone who uses the official label of certified organic product improperly.

In the event of repetition, the Agriculture and Livestock Service could cancel the registration of an accredited certifier.'

And as I see fit to approve and validate this Act; let it be published and enforced as an Act of the Republic.

Santiago, December 21st, 2005.- RICARDO LAGOS ESCOBAR, President of the Republic.- Jaime Campos Quiroga, Minister of Agriculture.

This I transcribe for your knowledge. - Sincerely, Arturo Barrera Miranda, Undersecretary for Agriculture.