



THE EUROPEAN REGULATORY FRAMEWORK AND ITS IMPLEMENTATION IN INFLUENCING ORGANIC INSPECTION AND CERTIFICATION SYSTEMS IN THE EU

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The report presents a review of the most important European and international legislation that set the framework for organic certification, of reports prepared by international agencies working with organic standard setting and certification, and of relevant scientific literature. It discusses problems, future challenges of the organic control systems in Europe leading to suggestions for improvement.

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EXECUTIVE SUMMARY

The report presents a review of the most important European and international legislation that set the framework for organic certification, of reports prepared by international agencies working with organic standard setting and certification, and of relevant scientific literature. It discusses problems, future challenges of the organic control systems in Europe leading to suggestions for improvement.

Food quality assurance is of key importance for the future development of the Common Agricultural Policy of the EU. A large number of mandatory and voluntary assurance and certification schemes exist for agriculture and in the food industry leading to the risk of increased costs for producers and confusion of consumers. Such schemes include the setting of requirements and bodies that undertake control and provide certificates. Requirements can be divided into statutory regulations regarding food safety and good agricultural practice and standards for voluntary attributes. Basic requirements of food safety, animal health and animal welfare are controlled by the Official Food and Feed Control (OFFC) systems, governed by Council Regulation (EC) 882/2004. Third party certification provides credibility to claims related to voluntary standards and is communicated to the consumers through the use of certification marks. The EU has developed a legislative basis for quality claims in relation to geographical indications, traditional specialities and organic farming and considers introducing labelling rules in relation to animal welfare, environmental impact and the origin of raw materials. Organic certification is one of a number of overlapping and competing schemes.

The development of organic standards and certification in Europe started with private standards and national rules, leading to Regulation (EEC) 2092/1991. The requirements for competent authorities, control bodies and operators in this regulation regarding the control systems are reviewed. The discussion highlights the low level of knowledge among consumers of the requirements of organic certification, a weak emphasis of the control system on operator responsibility for organic integrity, issues of competition and surveillance of control bodies, a lack of consideration of risk factors in designing the inspection systems and a lack of transparency.

A total revision of the European Regulations on organic production began in 2005. One important change introduced by the new Council Regulation (EC) 834/2007 for

Organic Food and Farming is that the organic control system is placed under the umbrella of Council Regulation (EC) 882/2004 on Official Food and Feed Controls. Regulation (EC) 834/2007 also requires that control bodies have to be accredited according to general requirements for bodies operating product certification systems (ISO Guide 65/EN 45011). From July 2010 packaged organic products will have to carry the new EU logo as well as the compulsory indication of the control body. The report reviews the requirements for competent authorities, control bodies and operators from the various legal sources. The discussion highlights a lack of clarity on the impact of the OFFC regulation on the organic control system including how risk based inspections are to be implemented and the potential for in-consistencies in the enforcement of the regulation.

A number of international initiatives concerned with the harmonisation of organic standards and to a lesser extent certification are reviewed, such as the International Task Force on Harmonisation and Equivalence (ITF)¹, the European Organic Certifiers Council (EOOC), the International Social and Environmental Accreditation and Labelling Alliance (ISEAL) and the Anti-Fraud Initiative (AFI). The multilateral initiatives have led to a better understanding of current problems and the scope and limitations for harmonisation. They have also contributed to the sharing of tools and methods and the identification of best practice.

Two main alternative guarantee systems for organic production have been developed and researched by a number of organisations including IFOAM, ISEAL, FAO and the EU Commission. Smallholder Group Certification based on an Internal Control System (ICS) and Participatory Guarantee Systems (PGS) could also represent ways to minimize certification costs also for European farmers, in particular for operators that market directly or through very short supply chains. Both systems also illustrate examples of certification systems with a focus on system development and improvement.

Apart from organic farming the European Union has two other food quality schemes: Regulation (EC) 510/2006 on geographical indications and Regulation (EC) 509/2006 on traditional specialities. The report explores the potential for combining these with organic certification, and draws lessons for organic certification based on Italian experience.

The final chapter summarises problems and challenges from the previous chapters. Suggestions for improvements of the organic control system focus on two issues: the need for further harmonisation of the surveillance of control bodies and enforcement of the regulation and how operators' responsibility for further development of organic systems could be supported in the control and certification system.

¹ *The Task Force finished its work in 2008. The extension of the work of is the Global Organic Market Access (GOMA) project which seeks to simplify the process for trade flow of organic products among various regulatory and/or private organic guarantee systems. GOMA focuses on harmonization and equivalence of organic standards and certification performance requirements as mechanisms for clearing trade pathways*

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List of abbreviations

BRC	British Retail Consortium
CAC	Codex <i>Alimentarius</i> Commission
CB	Certification Body
CSA	Community Supported Agriculture
EOOC	European Organic Certifiers Council
EU	European Union
DG AGRI	Directorate General for Agriculture and Rural Development
DG ENV	Directorate General for Environment
DG SANCO	Directorate General for Health and Consumers
FAO	Food and Agriculture Organisation (of UN)
FiBL	Research Institute for Organic Agriculture
GAP	Good Agricultural Practice
GI	Geographical Indication
GfRS	Gesellschaft für Ressourcenschutz
GMP	Good Manufacturing Practice
HACCP	Hazard analysis and critical control point
IBS	IFOAM Base Standards
ICEA	Institute for Ethical and Environmental Certification
ICROFS	International Centre for Research in Organic Food Systems
ICS	Internal Control System
IFOAM	International Federation of Organic Agriculture Movements
IFS	International Food Standard
IMO	Institute for Market Ecology
IOAS	International Organic Accreditation System
IROCB	International Requirements of Organic Certifying Bodies
ISEAL	International Social and Environmental Accreditation and Labelling Alliance
ISO	International Standards Organisation
ITF	International Task Force on Harmonisation and Equivalence in Organic Agriculture
JRC	Joint Research Centre
MS	Member State/s
NGO	Non-governmental organisation
NOP	National Organic Program (US)
OECD	Organisation for Economic Co-operation and Development
OFFC	Official food and feed control
ORC	Organic Research Centre

PDO	Protected Designation of Origin
PGI	Protected Geographical Indication
PGS	Participatory guarantee system
QMS	Quality Management System
RASO	Rapid Alert System Organic
SQF	Safe quality food
TOR	Terms of Reference
TPC	Third Party Certification
TSG	Traditional Speciality Guaranteed
UHOH	Universität Hohenheim
UNCTAD	United Nations Conference on Trade and Development
UNIVPM	Universita' Politecnica delle Marche
USDA	United States Department of Agriculture
WHO	World Health Organisation
WP	Work package

1 INTRODUCTION

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A key characteristic of Organic Farming in Europe is that it is governed by clear and legally binding standards and that all operators marketing products as organic have to undergo regular control. This chapter aims to introduce the subject of the report and provides a brief summary of the content of the following chapters.

Producing high quality food is a central plank of the Common Agricultural Policy of the European Union, covering both product attributes and the way in which products are farmed. However, producers do not sell directly to the consumer, who therefore cannot directly ask the producer questions. Even if they do, some aspects of food quality remain 'hidden' at the point of purchase. Food assurance and certification schemes address this information asymmetry in long supply chains. In essence, certification aims to provide credibility to certain quality claims made by producers. The credibility of the certifier and certificate is enhanced through a process of approval (accreditation) and supervision of the control bodies according to accepted norms and guidelines.

'Organic' is a hidden product quality defined by the process of production rather than characteristics of the end product that can be determined by analysis (e.g. residue levels). Organic Food exhibits specific attributes which required specific assurance instruments (Zorn et al., 2009). Organic Farming has clear and legally binding standards for this production process. Only products produced in accordance with the EU Regulations and inspected and certified accordingly can be placed on the market and labelled as organic and gain access to premium prices. Certification is therefore a key element in current organic farming systems.

Organic certification provides assurance about the quality to the buyers (Zorn et al., 2009). It assures everyone within the organic supply chain of the integrity of the product. Organic certification is regulated directly through the EU Regulations governing organic production and through other Regulations to which these make reference. Organic food production and control is embedded in the general food law and the certification has many similarities with other food quality schemes. The

regulations that govern certification thus have relevance to authorities that oversee the control systems, to control bodies, to operators and finally to the consumers.

1.1 Aim and content of this report

The overall aim of this report is to provide an overview of present problems, future challenges and ideas to guide the further research and the development of recommendations for improvement of the organic control systems in the CERTCOST project.

The report is based on a review of the most important EU and international legislation that lay down the rules for organic certification, together with publications of the European Commission, reports of international agencies working with standard setting and certification and relevant scientific literature.

Chapter 2 provides a basic introduction to food quality assurance and certification schemes in Europe. Such schemes consist of basic or voluntary requirements (standards), control bodies or authorities that verify adherence, and in most cases some form of communication to consumer. The chapter includes a short summary of future policy intentions of the European Commission related to food quality. The discussion points to problems likely to be of relevance also for organic control and certification systems.

Chapter 3 provides a short overview of the historic development of organic standards in Europe leading to Council Regulation (EEC) 2092/1991 and a summary of the certification requirements for competent authorities, control bodies and operators in it. The discussion highlights some problems of the control regime under this regulation.

Chapter 4 introduces the control requirements according to the European Council Regulation (EC) 834/2007 on organic food and it's implementing regulations. It also covers other regulations to which they refer in relation to control, such as Regulation (EC) 882/2007 for official food and feed controls and ISO 65/EN 45011 for bodies operating organic product certification systems. The chapter summarises and discusses the provisions for the certification requirements for competent authorities, control bodies and operators arising from all these regulations.

Chapter 5 explores a number of international initiatives related to harmonisation of organic standards and certification. It covers certification requirements of the WHO/FAO *Codex Alimentarius* standard on organically produced food, outcomes of the International Task Force on Harmonisation and Equivalence (ITF), International Social and Environmental Accreditation and Labelling Alliance (ISEAL), the European Organic Certifiers Council (EOOC) and the Anti-fraud Initiative (AFI) of control bodies and traders in Europe.

Chapter 6 provides a short overview of two alternative Organic Guarantee Systems, group certification based on Internal Control Systems (ICS) and participatory guarantee control (PGS). Both have emerged over the past decade and have been further researched, developed and/or guided by a variety of organisations including IFOAM, ISEAL the EU Commission and recently the USDA.

Chapter 7 introduces the Council Regulations governing the European quality labelling schemes of geographical indications (PDO/PGI) and traditional specialities

(TSP). It explores the differences in certification procedures compared to organic certification and explores the potential for combination with organic certification using examples from Italy, the country with the most registered geographical indication schemes.

Chapter 8 summarises present problems; future challenges identified in the previous chapters and develops ideas for the improvement of organic certification in relation to harmonisation of surveillance of control bodies and in relation to strengthening the operator responsibility by introducing an element of quality improvement into the certification system.

1.2 Definition of terms

The following list of definitions of terms is based on the Glossary A Inspection and certification of Zorn et al. (2009) These are supplemented by definitions from regulations that are used in this report:

The organic Council Regulation (EC) 834/2007 and Commission Regulation (EC) 889/2008 (Chapter 4) build on definitions of control used in the general European food law, in particular in Regulation (EC) 882/2004 on Official Food and Feed Controls (OFFC). The *Codex Alimentarius* Guidelines on organic production (CAC/GL20-1995, Chapter 7) also provides a number of definitions that are relevant to the subject of certification, some of which are additional to the definitions provided by the EC Regulations. CAC guidelines use slightly different terms than the European Regulation. The most important difference is use of the term ‘certification’ in line with ISO 65 whereas the EC Regulations use the term ‘control’. ISO 65 itself provides very few definitions but refers to ISO/IEC Guide 2 (Standardization and related activities: General vocabulary) and ISO 8402 (1994 Quality management and quality assurance – Vocabulary, general information) for most definitions.

Table 1: Definition of terms

Term	Definition (Source)
Accreditation	<p>“Procedure by which a government agency having jurisdiction formally recognizes the competence of an inspection and/or certification body to provide inspection and certification services. For organic production the competent authority may delegate the accreditation function to a private body” (Art 2.2 of CAC/GL 20-1995).</p> <p>In the European Union, organic control bodies have to be accredited to European Standard EN 45011 or ISO Guide 65.</p>
Approval	<p>“The competent authority from a member state shall approve organic control bodies before they can offer their services” (Art 27(4b) of EC/834/2007). “The method and criteria how to approve control bodies are laid down by the European Commission” (Art 38 of Council Regulation (EC) No 834/2007).</p>

Term	Definition (Source)
Audit: (Equivalent terms: Inspection and Control)	<p>“a systematic and functionally independent examination to determine whether activities and related results comply with planned objectives” (Art 2.2 of CAC/GL 20-1995).</p>
Certificate	<p>Document certifying an operator that she/he has fulfilled the requirements of an organic standard. This document is issued by the control body after having controlled an operation declaring that it is in conformity with the organic production or processing standards. Therefore, the term certificate of conformity is used. A certificate serves as communication between seller and buyer in contrast to a label, which is a form of communication to the consumer (Dankers and Liu, 2003).</p> <p>The EU differentiates the transaction certificates in the trade of organic products with third countries: For the import of compliant products, ‘documentary evidence’ is required in order to identify the ‘operator who carried out the last operation’ and to verify the compliance of the product imported with Council Regulation (EC) No 834/2007. When importing equivalent products, a ‘certificate of inspection’ is required.</p>
Certification (Equivalent term: Control)	<p>“Procedure by which a certification or control authority or body (a third party) gives written assurance that a product, process or service is in conformity with certain standards. Certification of food may be, as appropriate, based on a range of inspection activities which may include continuous on-line inspection, auditing of quality assurance systems and examination of finished products” (Art 2.2 of CAC/GL 20-1995). The equivalent term in the context of the Regulation (EC) 834/2007 for organic products is ‘Control’.</p>
Certification body (Equivalent term: Control body)	<p>“Body which is responsible for verifying that a product sold or labelled as ‘organic’ is produced, processed, prepared handled, and imported according to these guidelines” (Art 2.2 of CAC/GL 20-1995). The equivalent term in the context of the EC Regulations for organic products is ‘Control Body’.</p>
Competent authority	<p>“Central authority of a Member State competent for the organisation of official controls in the field of organic production in accordance with the provisions set out under this Regulation, or any other authority on which that competence has been conferred to; it shall also include, where appropriate, the corresponding authority of a third country” (Art 2(n) of EC/834/2007)</p>

Term	Definition (Source)
Control (Equivalent terms: Inspection, Audit)	<p>An on-site visit of operators in order to verify that their performance is in accordance with a particular set of production or processing standards is called control (Zorn et al., 2009).</p> <p>Controls can be categorised into announced and unannounced controls. Furthermore, the following types of controls are differentiated in initial control, routine or regular control, random or spot-check control and follow up controls (EC/889/2008 and Zorn et al., 2009).</p>
Control authority	<p>A public body to which inspection and certification tasks have been delegated (Art 2(o) of EC/834/2007).</p>
Control body (Equivalent terms: Inspection, Audit)	<p>“Independent private third party carrying out inspections and certification [...]”(Art 2 (p) of EC/834/2007).</p> <p>In Council Regulation (EC) No 834/2007 on organic production and labelling of organic products, the term control body is used throughout. This regulation does neither use the term ‘inspection body’ (which was used in the Regulation (EEC) 2092/91) nor ‘certification body (ISO 65)</p> <p>The certification process is sometimes divided into inspection (visiting and controlling operators) and certification (issuing the certificate). Accordingly the different institutions carrying out the different jobs are distinguished as the inspection body (body performing the inspection part of certification. Where a certification body performs its own inspections, the certification body is both the inspection body (Dankers and Liu 2003) and the certification body.</p>
Inspection (Equivalent terms: Control, Audit)	<p>“examination of food or systems for control of food, raw materials, processing, and distribution including in-process and finished product testing, in order to verify that they conform to requirements. For organic food, inspection includes the examination of the production and processing system” (Art 2.2 of CAC/GL 20-1995) and the management system (Reynaud, 2001).</p>
Label	<p>“any terms, words, particulars, trademarks, brand name, pictorial matter or symbol relating to and placed on any packaging, document, notice, label, board, ring or collar accompanying or referring to a product “(Art 2(k) of EC/No 834/200). A label indicates that compliance with a specific standard has been verified. Its use is controlled by the standard-setting body (e.g. the European Commission, national governments or private organic associations). Labels provide information for consumers and can help them to identify organic products (Dankers and Liu 2003).</p>

Term	Definition (Source)
Officially recognized inspection systems	Systems which have been formally approved or recognized by a government agency having jurisdiction (Art 2.2 of CAC/GL 20-1995).
Operator (Equivalent terms: Supplier)	“..the natural or legal persons responsible for ensuring that the requirements of this Regulation are met within the organic business under their control” (Art 2 (d) of EC/834/2007). The Regulation (EC) 889/2008 differentiates between production of plant products, livestock products (including aquaculture and bees), foodstuffs from plant and livestock products (processing), import of plant and livestock products, units contracted out to third parties, and units preparing feedstuffs.
Private standard	Set by private actors while the government or its public agencies may have issued national public standards, i.e. regulations and guidelines, which may be stricter than Council Regulation (EC) No 834/2007. Private standards exist on regional, national and international levels for food products (Will and Guenther, 2007). In the organic sector, these standards are set by growers’ associations, umbrella organisations and by certain certification bodies.
Regulation	Mandatory (technical)rules following the differentiation of the World Trade Organization, in separation from a standard to which compliance is not mandatory (Bonsi et al., 2008).
Risk	The European basic food law defines risk as “a function of the probability of an adverse health effect and the severity of that effect, consequential to a hazard” (Art 3(9) of Regulation (EC) No 178/2002). Regulation (EC) 834/2007 uses the term ‘risk’ in the sense of the probability of not fulfilling the organic regulation in Article 27 (3) as the risk of occurrence of irregularities and infringements as regards compliance with the requirements laid down in this Regulation.
Supplier	“The party that is responsible for ensuring that products meet and if applicable continue to meet the standard on which certification is based” (ISO 65). The equivalent term in the context of the EC Regulations for organic products is operator.

Source: Zorn et al. (2009) and as specified.

2 INTRODUCTION TO FOOD QUALITY STANDARDS AND CERTIFICATION

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Food quality is an important element of the EU Common Agricultural Policy with organic farming representing one of a number of different schemes. The aim of this chapter is to provide an introduction to food quality assurance standards and certification in Europe, based on academic publications and material published by the European Commission. It distinguishes between three different dimensions of food quality assurance of (1) regulations and standards that set out requirements for operators, (2) control bodies and authorities that control and/or verify compliance including third party certification, and (3) communication of certification to consumers. This is followed by a short summary of future policy intentions of the European Commission in the area of food quality and a discussion of challenges related to third party certification. The concluding remarks summarise a number of issues that are relevant to organic certification and the CERTCOST project.

2.1 Introduction

Food quality labels provide information to consumers about requirements laid down by law (e.g. food safety) as well as information provided by manufacturers, retailers, and independent associations (e.g. consumer associations). Producing food of high

quality is a central plank of the Common Agricultural Policy. The EU Commission refers to a broad food quality definition:

“Agricultural product 'qualities' includes both 'product characteristics' (physical, chemical, microbiological and organoleptic features – size, appearance, taste, look, ingredients, etc.) and 'farming attributes' (production method, type of animal husbandry, use of processing techniques, place of farming and of production, etc.)” (Commission of the European Communities, 2009).

In the literature, similar definitions distinguishing between product qualities (such as harmful residues, problem ingredients, nutritional content and technological qualities) and process qualities (such as animal welfare) are referred to as holistic definitions of food quality. This is in contrast to narrower definitions that only refer to a particular aspect of food quality, such as food safety, nutritional content or technological quality.

A large number of mandatory and voluntary food quality assurance schemes exist in agriculture and the food industry. The need for food assurance and certification schemes arises because of an information asymmetry and long supply chains. Producers mostly do not sell directly to the consumer, who therefore cannot directly ask questions about the product quality.

Basic economic theory assumes that supply and demand meet in the market place with the aim of exchanging homogeneous products and with both suppliers and buyers having full information about all the commodities concerned. In reality, neither the assumption of all traded goods being homogeneous nor that of all participants being equally well informed, applies. This information asymmetry increases for product attributes hidden to the outside observer. In economic terms certification can therefore be defined as aiming to address the information asymmetry by establishing through regular inspections that the production process follows a certain standard (e.g. Jahn et al., 2005; Schulze et al., 2006; Wai, 2007). In essence, certification aims to provide credibility to certain quality claims made by producers. The credibility of the certifier and certificate is thereby enhanced through accreditation according to accepted norms and guidelines (see Zorn et al., 2009 for further details on economic concepts of certification).

The global concentration in food retailing is considered an important dominant driver in developing private certification systems, as illustrated by the British Retail Consortium (BRC) (Henson and Reardon, 2005). Giovanucci (2008) summarises three main driving factors for the growing importance of certification type systems:

1. More health conscious and ethically aware consumers
2. Growing concentration in agri-food sector and international trade
3. Difficulty of governments to maintain food safety guarantees against growing global trade

Schemes address a variety of concerns that exist in relation to the food sector, such as food safety, environmental impact, animal welfare, sourcing policies, food security, public health including diet and nutrition (Schmitt, 2005; Jones et al., 2007; Fox and Vorley, 2004; Brom et al., 2006).

A number of actors are involved in food certification systems: this includes producers, public agencies, certification bodies, customers (buyers), standard owners and

accreditation bodies (Schulze et al., 2006). The principal clients of any regulatory systems are producers and consumers, with other actors being seen as service providers (ITF, 2005).

The following sections distinguish three different dimensions of food assurance schemes 1) the criteria or standard that a product has to fulfil 2) agencies carrying out controls of adherence to certain standards and 3) communication of certification in the market place.

2.2 Requirements and standards

Criteria for the award of a certain quality label or logo can range from very strict to almost non-existent (Grunert, 2005). Some cover compliance with compulsory standards (e.g. food safety), others certify voluntary standards of both the public and the private sector. Certification type schemes include indications related to the product (e.g. content of nutrients or harmful residues or organoleptic qualities) as well as the production process and/or supply chain, such as farming methods (pesticide use, animal welfare) traceability, environmental protection, worker welfare, fair trade, climate change concerns, ethical, religious or cultural considerations, infrastructure and geographical origin (Krieger et al., 2007; Eden et al., 2008b).

According to the EU Commission food quality operates at two levels:

- A basic level set by regulation that all farmers in the EU have to respect,
- A voluntary level to differentiate certain product attributes desired by some consumers (Commission of the European Communities, 2009).

The basic level covers certain farming requirements in relation to (1) food safety and hygiene (a 'non-negotiable must') including the use of pesticides and veterinary products, and also (2) product identity (e.g. marketing standards defining certain products) and agricultural practice in terms of environmental protection and animal welfare. European farmers also have to comply with general laws, for example in relation to employment. Several, but not all, statutory requirements are fully harmonised across the EU. Differences still exist, for example, in relation to animal welfare legislation. Statutory requirements are not harmonised internationally. In Global trade adherence to the same statutory requirements can therefore not be assumed. Some food assurance standards (e.g. farm assurance, Global GAP) therefore include requirements for all their suppliers worldwide that are statutory in the EU.

Burrell et al. (2006) reviewed research literature of food labelling in preparation of an analysis of economic impact. The authors grouped studies according to 10 categories that give a good overview of the type quality characteristic or product attribute that the schemes target. The categories are internal chain standards, origin labelling (regional and country), quality assurance schemes for specific sectors (meat, seed), biotech/non-biotech labelling, food safety schemes, eco and environmental, organic, animal welfare and sustainability standards and nutritional labelling.

Box 1: Short introduction to European Food Law

Food law is a relatively new area of common European law which has developed in several stages. From the beginning of the EC in 1958 to the BSE crisis, European food law was principally directed at the creation of an internal market based on mutual recognition. Triggered by BSE and other food scares the Commission's intent to ensure high levels of food safety was expressed in the publication of a 'White Paper on Food Safety' in 1999 (Commission of the European Communities, 1999). The white paper focused on a review of food legislation and set out an ambitious regulatory programme in order to make it more coherent, comprehensive and up-to-date and to rebuild consumer trust in the institutions concerned. The white paper set out plans for the establishment of a central food safety authority, improvement to of food safety legislation and controls and consumer information. The main new European food regulation was published two years after the white paper.

Regulation (EC) No 178/2002 of the European Parliament and Council laying down general principles and requirements of food law, establishing the European Food Safety Authority (EFSA) and laying down procedures in matters of food safety. *Official Journal of the European Union*, L31 (1.2. 2002), 1-24.

European food law contains (1) rules concerning the product; (2) rules concerning the process (handling in processing in trade) and (3) rules concerning the communication about food but the distinction between these categories is not always clear. It also contains a number executive task, such as scientific risk assessment, enforcement and incidence management.

The shift of emphasis in food policy was also reflected in the renaming and strengthening of the Director General XXIV on Consumer Policy to 'Consumer Health and Protection Policy' and the transfer of some powers on internal market warning systems to the now called DG SANCO.

Source: Own summary based on van der Meulen and van der Velde (2008)

Minimal standards vary between the different sectors and are set both by the public and by the private sector. Whether the public or the private sector is more important in driving minimal standards varies between different food sectors. For example, Codron et al. (2005) compared the Minimal Quality Standard requirements for beef with those for the fresh produce sector. They concluded that governments alone define and monitor minimal statutory requirements in the beef sector, whereas for fresh produce both the government and the private sector are involved. It appears that the level of involvement of the public and the private sector is influenced both by the level of risk in relation to food safety and by the importance of international trade.

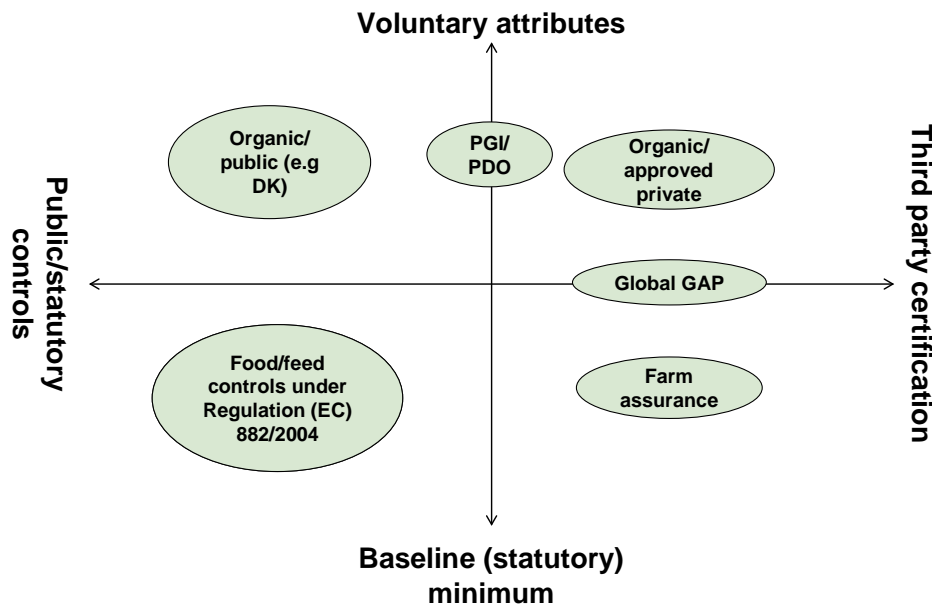


Figure 1: Different types of food quality assurance systems

Beyond these ‘baseline’ statutory requirements, farmers and food producers can use their expertise and initiative to give their products other attributes valued by consumers. This can include both product characteristics (e.g. rich in omega-3-fatty acids) and process characteristics (such as farming methods, place of farming, authenticity). Such additional attributes are mostly defined by the private sector, either by companies or NGOs and producer groups and associations of farmers. These are presented in standards (or manuals) that include requirements, interpretations and checklists for self-control and external audit (Krieger et al., 2007).

However, the European Union has also developed Regulations in support of voluntary schemes, such as certification of geographical origin (PGO/PDO, Regulation EC/510/2006, see Chapter 7), traditional specialities and production methods (TSG, Regulation EC/509/2006, see Chapter 7) and for organic farming (Regulation EC/834/2007, see Chapter 4). It is therefore necessary to distinguish between public and private certification type schemes (see Figure 1). Requirements laid down in the organic regulations and geographical indication schemes are above statutory requirements and above good agricultural practice.

In some standards the requirements are clearly structured according to their importance. EurepGAP for example distinguishes between classifications that are of ‘high and low priority’, that are ‘critical, not critical’ and ‘recommendations’. The International Food Standard (IFS) scheme has a ‘basic and high level’. The Safe Quality Food (SQF) schemes have requirements at a level ‘1, 2, and 3’ (SQF 1000 and SQF 2000) which can result in different certification levels (Krieger et al., 2007). This allows producers that follow a certain standard to also set themselves higher targets for the future.

2.3 Control and certification authorities and bodies

The verification of adherence to different types of food safety and quality requirements is either monitored by statutory control bodies (e.g. Official food and feed control bodies (OFFC) in line with Regulation (EC) 882/2004, see Chapter 4 for further details), through a control or certification body or in some cases by the operator.

In the past, the statutory rights of public bodies to carry out inspections focused mainly on cases of suspected contravention (e.g., threats to food safety, environmental harm) (Jahn et al., 2005). The number of and breadth of statutory checks for compliance with various codes of good agricultural practice has increased considerably as a result of the introduction of cross compliance in the context of the Single Farm Payment .

Certification works alongside statutory controls providing credibility to certain claims. Adherence to specific quality requirements is monitored through regular inspection visits and – where necessary – additional sampling in the production process or entire supply chain. Companies are awarded a specific certificate and are entitled to make use of the quality label for marketing purposes (Jahn et al., 2005).

The most widely used model is Third Party Certification (TPC) carried out by an independent body. This is in contrast to first party (self certification) and second party certification (carried out by a body closely related to the supply chain) (Eden et al., 2008c). Most authors agree that Third Party Certification has become important in the agri-food sector (Henson and Reardon, 2005), some even refer to it as the “gold standard” (Hatanaka et al., 2005; Schulze et al., 2006; Jahn et al., 2005). It is necessary to further distinguish between fully private certification bodies and those that also have mandatory functions. The latter is the case for organic food and for regional products where the regulations require that operators that want to use the terms have to submit to the designated control systems (see Chapters 3, 4 and 7 for details of these schemes).

The credibility of the Third Party certifier itself is backed up by accreditation, EU legislation, Member State listing and official inspections (EC-AGRI, 2009b). Accreditation is either provided by the private or by the public sector often by (or with the consent of) public authorities (van der Meulen and van der Velde, 2008). Requirements for accreditation are laid down in ISO 65 which is endorsed by the European Union as EN 45011. Since 2008 a common framework of the European policy of accreditation is specified in Regulation (EC) 765/2008 (see Chapter 4 for details on these publications) which is effective from 1 Jan 2010.

2.4 Communication of food quality assurance

The third dimension important in food quality assurance is communication with the consumer or user of the product. In this context, the European Commission distinguishes between labelling and certification-type schemes:

- Labelling schemes are best suited for relatively straightforward claims that are normally self-declared by producers and subject to official controls.

- Certification-type schemes are best suited to complex undertakings, which are usually laid down in detailed specifications (standards) and checked periodically (e.g. annually) for example by a certifying body (Commission of the European Communities, 2009).

Branding can also be considered as a communication strategy of food attributes, either in the form of a specific food brand, as well as increasingly through retailer branding (e.g. Grunert, 2005).

Some certification type schemes are targeting intermediaries in the supply chain and are not aimed at being communicated directly to the consumer. For example, BRC and GlobalGAP have evolved in response to weaknesses and international variation in statutory food safety/quality control systems, and aim to provide assurance of quality to the buyers of multiple retailers rather than consumers (Henson and Reardon, 2005).

Grunert (2005) pointed out that certification marks or logos need to be recognised by consumers if they are to be considered as quality cues in the purchasing decision. He has raised concerns whether third party certification is always communicated successfully to consumers. Eden et al (2008b; 2008c) carried out some qualitative research with English consumers into their recognition and perception of a range of certification schemes. The consumers expressed confusion and scepticism about several of them and found it difficult to work out which standards were involved and what kinds of organisations were providing the assurance.

A lack of consumer recognition of quality assurance schemes is frequently attributed to a lack of information about such schemes leading to the conclusion that better promotion would increase consumer willingness to pay (see for example Botonaki et al., 2006). However, reasons for a failure of labels to effectively communicate with consumers can also include a lack of consumer interest in the issue certified or the information provided by the label. It can also be a result of a label containing too much or poorly presented information (EC-SANCO, 2006).

Eden et al. (2008b; 2008c) describe Third Party Certification as the 'knowledge-fix', which tries to rectify the problem of distrust and disconnection between producers and consumers of food in developed economies through provision of information, in contrast to the 'spatial-fix' that aims to achieve greater connection through more local food production and distribution. They argue that more research about consumer perception of labels and how this influences the purchasing decision is necessary.

2.5 Future intentions of European Union with respect to food quality policies and labelling

The EU considers food quality and quality assurance a cornerstone for the future development of the Common Agricultural and Food Policy. After a number of review and consultation activities (Commission of the European Communities, 2008) the European Commission published a Communication to the European Parliament, to the Council, to the European Economic and Social Committee and to the Committee of the Regions on Agricultural Product Quality Policy in 2009 (Commission of the European Communities, 2009).

In this document the European Commission identified three areas that future development in food quality policy would need to consider:

- **Information:** to improve communication between farmers, buyers and consumers about agricultural product qualities;
- **Coherence:** to increase the coherence of EU agricultural product quality policy instruments;
- **Complexity:** to make it easier for farmers, producers and consumers to use and understand the various schemes and labelling terms.

Apart from further developing the baseline legal requirements for the food and farming industry, the EU Commission proposes to act along the two different tracks of labelling and public certification type schemes.

In relation to labelling schemes and marketing standards the Commission intends to address the following four areas (Commission of the European Communities, 2009):

- RESERVED TERMS ('such as free range' eggs; 'barn' eggs, 'first cold pressed' extra virgin and virgin olive oil, 'traditional method' sparkling wine)
- PRODUCT CLASSIFICATION (such as for fruit : extra, class 1, class 2 and for eggs: large, medium, small)
- PRODUCT IDENTITY (such as definitions of butter, fruit juice, chocolate, wine, extra virgin olive oil)
- ORIGIN or PLACE OF FARMING LABELLING (such as the place of harvest for fruit and vegetables and the place of pressing for olive oil)

The response from stakeholders in the consultations revealed a gap between the interests of farmers and that of consumers. There is a tension between the greater use of the place of origin labelling and the interests of food processors and retailers for whom tracking and labelling the origins of various ingredients in processed foodstuffs can be problematic. Debates about origin labelling (i.e. place of farming) have clear relevance to organic certification, given that labelling the place of origin will become compulsory in 2010 (see Chapter 4 on Regulation (EC) 834/2007).

In relation to the public certification-type schemes, the Commission will prepare the ground for a possible reshaping of the legislation on geographical indication with the aim to simplify and clarify intellectual property rights and generic terms as well as considering international developments in this area (Commission of the European Communities, 2009).

The Commission is also considering labelling in relation to animal welfare. The scope of the *Ecolabel* to cover food and feed has been extended in the Regulation (EC) No 66/2010 but the practical implementation is subject to a feasibility study that has to be undertaken by DG ENV². The Commission has also been asked by the Council to look at labelling options in the complex area of '*carbon footprints*'. Stakeholders have proposed that the EU should consider further schemes in the environmental sphere, such as for products of high-nature value farming.

² Regulation (EC) No 66/2010 of the EUROPEAN PARLIAMENT and of the COUNCIL of 25 November 2009 on the EU Ecolabel. Official Journal of the European Union, L 27 (30.01.2010), 1-2.

The Communication 234 (Commission of the European Communities, 2009) also refers to the recent total revision of the organic farming regulation in 2007/08, the new obligatory EU organic logo to be introduced in 2010 and a report on the application of the new regulation to Council and Parliament in 2011. The EU is also seeking mutual recognition of organic standards with non-EU countries and will contribute to the development of the *Codex Alimentarius* organic guideline in order to foster trade.

2.6 Discussion of problems and future challenges arising

Third Party Certification (TPC) can be of benefit to different groups. Producers may benefit from better access to markets, both in terms of the opportunity to participate and to stay in the market (Hatanaka et al., 2005). This can result in higher returns, if consumers are willing to pay a premium for the certified attributes. In the case of minimal certification standards, producers may also benefit from a level playing field. However, the existence of many different mandatory and voluntary schemes for agriculture and in the food industry throughout Europe is time consuming and expensive for producers and is confusing for consumers (Rother, 2005).

Consumers benefit because certification increases the enforcement of statutory requirements and provides them with increased information on specific and particularly hidden product attributes, but the research literature has placed less emphasis on the benefits of third party certification to consumers than to producers.

Hatanaka *et al.* (2005) argue that food retailers also benefit from TPC because adherence to their own production standards is monitored throughout the supply chain, but the direct responsibility for the monitoring process, and thus liability is reduced. Retailers can reduce their transaction costs since they have the power to shift the burden of the system's costs to other stakeholders, in particular to producers.

It could be argued that third party certification is also of benefit to public bodies where private control bodies monitor statutory requirements thus ensuring increased enforcement and reduced costs for surveillance.

Ideally, the costs of certification should be carried by those that benefit from the scheme. The research evidence in relation to the costs of certification is limited. Direct financial costs of certification are carried by different parties: by producers (both farmers and processors) as certification fees, by consumers in the form of higher prices, and by the wider public if control activities are subsidised and not fully charged. Different economic theories of the cost of certification also take indirect costs into account, such as information economics (main emphasis on costs incurred when gathering information about credence attributes), various categories of transaction costs (occurring because of a combination of bounded rationality and opportunistic behaviour) and supervision and enforcement costs. Further details about economic benefits and costs of organic certification are provided by Zorn et al. (2009). Providing more empirical evidence of the various costs and benefits of organic certification in Europe is an important ongoing task of the CERTCOST project.

The effectiveness of third party certification as a tool to achieve its basic aims depends on the credibility of the scheme as well as consumer recognition. The number of certification bodies and the level of competition amongst accredited

certifiers have increased considerably as a result of the growing importance of food quality assurance schemes. It is feared that this can negatively affect the objectiveness and independence of private third-party certifiers and lead to compromises in the rigour of schemes (Anders et al., 2007; Jahn et al., 2005). In some sectors, certification has gained the reputation of a paper based exercise, where GMP no longer stands for “*Good Manufacturing Practice*” but for “*Give Me Papers*“. Problems can also arise because suppliers view certification as externally imposed rather than as an intrinsically motivated quality management system (Schulze et al., 2006).

Control bodies need to establish a good quality reputation for themselves by implementing extensive and effective controls resulting in consumers respecting the scheme. Jahn et al. (2005) point out that there are considerable differences in performance between certification bodies. Albersmeier et al. (2009) investigated whether third party certification according to food quality standards such as International Food Standard (IFS) or GlobalGAP (the former EurepGAP) can *de facto* ensure high quality control. A database analysis of the German certification system Quality and Safety (QS) aimed to establish whether there is a connection between reliability of third-party certification and the institutional framing of standards. The analysis was combined with a workshop with the QS-certification bodies conducting 85% of all agricultural audits. The results do not reveal any concrete reason for variations among certification bodies and auditors, but are taken as an indication of problems and inefficiencies in the control system leading to the authors concluding that the validity and reliability of audits is not always guaranteed (Albersmeier et al., 2009).

2.7 Concluding remarks

The review highlights a number of common issues surrounding food quality assurance schemes and certification that are of relevance to organic certification and the CERTCOST project.

Food quality requirements can be divided into a basic/statutory and voluntary level and they are controlled both by the public and private sector, most commonly through third party certification bodies. The level of involvement of public bodies in setting minimal standards and in controls varies between different sectors. In Europe, basic requirements (e.g. food safety, animal health, cross compliance) are covered by statutory controls, but some private schemes cover the same requirements.

Many voluntary attributes are process type attributes defined by the farming system. In Europe, some voluntary attributes are covered by Regulations (such as geographical origins and organic farming), others are wholly defined and controlled by the private sector (fair trade, high animal welfare). These public certification type schemes have public bodies for supervision and the third party certification bodies have to be accredited according to ISO 65/EN 45011. The requirements for organic control bodies are further covered in Chapter 4.

Organic certification is one among many other schemes, and the number of overlapping and competing schemes can be costly to producers and confusing to consumers. Certification type schemes do not *per se* lead to consumer trust in certain

claims. There is a need to understand better how consumers make sense of certification claims, what influences their trust and how they use them as quality guides in their purchasing decisions.

Third party certification can benefit producers (in terms of market access and premiums) and consumers (information and enforcement of statutory requirements). Certification also benefits retailers in terms of better adherence to their quality requirements and governments if the control of regulated voluntary requirements is delegated to private control bodies. The empirical basis assessing the costs of certification is limited making it difficult to analyse whether the beneficiaries contribute adequately to the costs of certification.

The growing importance of food quality assurance has led to a growing number of control bodies and increased competition. There is concern that this can impact negatively on the rigour and the credibility of certification schemes.

The European Commission considers reducing complexity of food quality assurance and improving the information and communication between farmers, buyers and consumers as important goals in the future development of the Common Agricultural Policy. Of particular relevance to organic certification are the intentions of the European Commission to take action in relation to the labelling of the origin of products, to explore the feasibility of extending the existing EU *Ecolabel* to cover food products and to introduce animal welfare labelling.

3 DEVELOPMENT OF ORGANIC CERTIFICATION UNDER REGULATION (EEC) 2092/91

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Organic food is produced according to a clearly defined standard and this is verified through inspection, certification and the accreditation of control bodies. In the EU the first common organic standards were set in 1991. Building on private and national standards of some member states, the regulation laid down basic criteria for labelling, production and control. The aim of this chapter is to describe briefly the historic development of organic standards across Europe and to summarise the requirements related to organic certification for competent authorities, operators and control bodies in Regulation (EEC) 2092/91.

3.1 Development of organic standards and certification

The first organic standards were set by the private sector, building on various schools of thought. These include biodynamic farming as taught by Rudolf Steiner, organic farming promoted by Lady Eve Balfour, bio-organic farming according to Müller and Rusch, the biological farming methods of Lemaire-Boucher as well as Bob Rodale's regenerative farming (Lampkin, 2002). The Demeter co-operative was the first body

to develop very short private norms in 1928 in Bad Saarow near Berlin, Germany as part of the contract for farmers who wanted to use the name Demeter. The registration of the Demeter label followed in 1931. The Müller-Rusch movement of organic-biological agriculture in Switzerland also drafted its first tentative norms in 1946, which later led to the first Swiss standards. The Soil Association (UK) standards were first published in 1967, their structure serving as an example for other standards, while the first private French standards date back to 1972. Early standards were more in the form of recommendations rather than certification requirements, and envisaged some form of feedback to the producer from other farmers and/or advisors. With the growth of the organic market and increased trade, the relationship between consumer and producer became less personal. This resulted in the need for a more rigorous independent quality assurance system to protect both the producer and the consumer (Schmid, 2007).

Since the 1980's the organic sector has been characterised by a system of private standard setting and it was one of the first agricultural sectors to engage with the development of a system of third party inspection/certification for voluntary attributes. During the 1970s, groups of farmers in different parts of the US developed certification systems to assure buyers that products labelled as organic were produced according to their standards, for example California Certified Organic Farmers and the Northeast Organic Farmers Association (NOFA) as an umbrella of bodies in eastern US. In the late 1970s and early 1980s, certification organisations were developed more widely. Many early certification programmes developed as producer/consumer groups and some (Soil Association, California Certified Organic Farmers) retain this character until today. Most of these organisations were engaged in several other activities besides certification. In the mid-1980s several more specialised organisations dedicated to certification started, such as SKAL (Netherlands), KRAV (Sweden), and Farm Verified Organic (US). With the development of international regulations in the 1990s organic certification became of interest also for commercial certification companies (Rundgren, 2002).

This was followed by governments aiming to protect consumers from misleading claims and creating a level playing field for organic producers by developing national organic farming legislation. France introduced legislation in 1980, followed by Austria (1983) and Denmark (1987). The European Union introduced its first Regulation for organic food in 1991 (EEC/2092/91) with the aim to protect organic farming by ensuring fair competition between producers and transparency at all stages of production and processing, thereby improving the credibility of such products in the eyes of consumers. Both the European Regulation and the US Department of Agriculture's National Organic Programme (NOP) have influenced the development of the organic sector worldwide.

The organic regulation was amended many times and totally revised in 2007/08 leading to a new Council Regulation (EC) 834/2007 on organic production and labelling and a Commission Regulation (EC) 889/2008 laying down detailed implementing rules. The control and certification requirements arising from these regulations are reviewed in Chapter 4.

3.2 The Regulation (EEC) 2092/1991 for organic food

Box 2: Regulation (EEC) 2092/91

Council Regulation (EEC) No 2092/91 of 24 June 1991 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs. *Official Journal of the European Communities* L198(22.7.91): 1-15

One important aim of Regulation (EEC) 2092/91 on organic production of agricultural products and indications referring to agricultural products and foodstuffs was to ensure that all operators producing, preparing, importing or marketing products bearing indications referring to organic production methods are subject to a regular inspection system, meeting minimum Community requirements and carried out by designated inspection authorities and/or by approved and supervised bodies.

Member states had to implement the Regulation and set up a suitable inspection system that in most countries built on existing inspection and control bodies. The Regulation introduced surveillance through a competent authority. From 1 January 1993 onwards all producers and others labelling product as organic had to submit their operations to the inspection system in a member state and special provisions for imports applied. With certification provided by government bodies or under government supervision, organic certification gained the status of a professional service for regulatory compliance (Wai, 2007). The recognition of organic standards in a European Regulation also was a necessary requirement for financial support of organic farmers and farmers in conversion under the Regulation (EC) 2078/92 of 30 June 1992 on agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside³. With the exception of Sweden and some *Länder* in Germany the support schemes typically required organic management to be controlled according to Regulation (EC) 2092/91 by an approved control body (Lampkin et al., 1999a).

Formal organic certification under this regulation therefore had the following elements:

- Producers or operators
- Public and private standard owners
- Inspection or control bodies (both public and private)
- Competent authorities and other organisations that approve or accredit certification bodies (public and private)
- Labelling systems communicating certification outcomes to consumers (adapted after UNTAC, 2006).

Different actors within the certification system are guided by different parts of the regulations and standards, such as production standards, requirements for certification bodies, for the approval of certification bodies and labelling rules.

³ *Official Journal of the European Communities* L215(30.7.92): 85-90

Standard requirements in the Regulation (EEC) 2092/91 are set by Member States and the European Commission but private bodies can have higher standards. This stands in contrast to other labelling and certification schemes for which additional attributes are mostly defined by the private sector. The requirements apply only to products labelled as organic and are additional to general food and feed legislation that all organic operators also have to comply with. They relate to the production process and are similar to other voluntary schemes (GfRS, 2003, see Chapter 2)).

The following sections summarise the requirements in Regulation (EEC) 2092/91 related to inspection and certification systems. Operators also have to follow certain technical rules that are not covered in this report.

3.3 Summary of certification requirements according to Regulation (EEC) 2092/91

Provisions relevant to the inspection systems are included in Articles 5, 6, 8 and 9 and Annexes I, II, III, VI, VII of the Council Regulation (EEC) 2092/91. The most important certification requirements competent authorities (overseeing the inspection systems), control bodies and operators are summarised in the following sections.

3.3.1. Requirements for competent authorities

The Regulation envisaged three different models of inspection/certification in member states. The majority of countries opted for a system of private inspection bodies (Netherlands and Portugal had just one private body), and only Denmark, Finland and Spain had designated public inspection authorities (Lampkin et al., 1999b).

It further lays down a number of requirements for the approval and supervision of certification bodies, such as CBs having to meet the requirements of EN45011/ISO 65. This has resulted in some, but not all, member states requiring formal accreditation to this norm (Commins, 2004). The privately operated IFOAM accreditation programme (IAS) has incorporated most criteria of ISO 65 into its own requirements (Bowen, 2005).

Other requirements are sector specific and refer in particular to the inspection procedures for organic operators, the need to keep an up-to-date list of operators and control bodies and to inform the EU about those and the need to exchange information between various parties.

Table 2: Summary of certification requirements in Regulation (EEC) 2092/91 for competent authorities

Article/ Annex	Summary of requirements
	<i>The competent authorities/member states have to:</i>
8	keep an up-to-date the register of operators
9.1	set up an inspection system of either public certification and/or private certification bodies
9.2	provide operators with access to a suitable inspection system
9.4	designate a competent authority that will oversee private bodies according to criteria set out in article 9.5 (a-d)
9.5	require control bodies to use a standard inspection procedure (annex iii), penalty system, and have appropriate resources and staff
9.6	ensure that inspections by approved bodies are objective, verify the effectiveness of inspection, take cognisance of any irregularities/ infringements found and penalties applied and withdraw approval of bodies that fail to comply with 9.5 requirements
9.6a	issue a code number for approved inspection bodies and notify the commission and other member states
9.9 & 10.2	ensure that reference to organic production is removed from the entire lot where irregularities are found, and that where manifest infringements are found, the operator is prohibited from marketing any organic product
9.12	ensure the traceability of livestock products
10a.1	inform other member states (and the EU Commission) of irregularities of infringements found on products inspected under schemes/bodies approved by another member state
10a.2	take all required action and measures to prevent fraudulent use of organic indications

3.3.2. Requirements for control bodies

Regulation (EEC) 2092/91 sets out a number of requirements to inspection bodies in relation to their supervision by the competent authority and devotes a whole Annex to setting out minimal inspection requirements for certain operators. This was completely revised in 2001 and further amended in 2005. A requirement to comply with the requirements of ISO 65/EN 45011 was introduced in 1998 (See Chapter 4).

The Regulation uses the term inspection rather than certification. This is defined by Reynaud (2001) as “*on site examination of all operations (production, preparation, handling) and the management system to verify if performance of the operation is in conformity with the EEC Regulation 2092/91*”. The guidelines for inspection of

organic operations (Reynaud, 2001) point out that the coverage of certification is implicit through the reference to EN 45011. Reynaud provides a number of other definitions including certification and non-conformity, but these are not part of the legislation itself.

Table 3: Summary of certification requirements in Regulation (EEC) 2092/91 for inspection bodies and operators

<i>Article/ Annex</i>	<i>Summary of requirement</i>
	<i>Inspection and certification (control) bodies have to:</i>
9.7	ensure that at least inspection measures specified in Annex III are applied, that no information is disclosed other than to persons responsible for the undertaking, unless necessary in order to guarantee that products have been produced in accordance with the requirements of the organic regulation (the latter bit was introduced in 2004) which gives them permission to exchange information with other bodies concerned
9.8	give the competent authority access to premises and information for the purpose of supervision
9.8	keep a list of their operators and send it annually to the Competent Authority
9.9	act on any infringements found
9.11	satisfy the requirements laid down in ISO 65/EN45011 (since 1998)
Annex III	follow minimal inspection requirements for initial inspections, communication, inspection visits, documentary accounts, packaging and transport, storage, products not complying, access to facilities and exchange of information both in a generic section and in specific sections for producers of plant products, livestock products, preparation/processing units, importers, and feed processors
	<i>Operators (producers/processors) have to:</i>
8	notify the competent authority and submit to inspection
9	contribute to fees for inspection/certification
10.1	follow requirements laid down for the certification indications and claims that can be made on the label
10.2	not making claims on the label or advertising material that suggests to the purchaser a guarantee of superior organoleptic, nutritional or salubrious quality
Annex III	provide documentary evidence in line with detailed inspection requirements set out for various operators

Some requirements specific to control bodies are also mentioned in ISO 65. In one report of the ITF Steidle and Alonso (2007) conclude that sector specific requirements in relation to inspection procedure, documentation held by the operator, chain of custody (including some exchange of information between CBs), and the issuing of a range of sanctions and penalties are laid down in greater detail in EC

2092/91. ISO 65 on the other hand sets out the requirements for control body structures and internal procedures, such as complaints, internal review and personnel management in more detail than the organic regulation itself.

3.3.3. Requirements for operators

Apart from following the technical requirements the Regulation (EEC) 2092/91 states only a limited number of specific certification requirements for producers. These relate mainly to the obligation to provide documentary evidence, access to premises and information, and the need to follow the labelling rules.

3.4 Communication of organic certification to consumers

Under Regulation (EEC) 2092/91 organic certification is communicated to the consumer through the use of the protected term 'organic' (or equivalent protected terms in other languages). Articles 5 and 10 of the Regulation (EEC) 2092/91 set out rules for labelling. According to Schmidt and Haccius (1998) the regulation is in essence a labelling regulation although it clearly states other purposes. Nevertheless products can only use the term 'organic' (or one of the other terms protected by the Regulation) on the label if they have undergone inspection/certification. Organic products also have to show the name and number of the approved control body.

Certification can also be communicated through certification marks both from public and private bodies and through branding. Under the certification rules of Regulation (EEC) 2092/91 the communication to consumers through logos and labels varied considerably between Member States. Some countries had one national governmental logo for organic products (e.g. France, Denmark and later Germany), in others only one private logo exists (e.g. Netherlands, Sweden). In most other countries organic certification was communicated through private certification marks. Since 2004 certain products can - but under EEC/2092/91 do not have to - be labelled with the EU logo for organic products. This applied to single-ingredients after conversion period, or multi-ingredient products with more than 95% organic agricultural ingredients. In some countries no common identification of organic products, other than the through terms protected by the European Regulations exists.

An inventory study of certification logos conducted in seven countries in 2008 (Six EU members plus Switzerland and Turkey) as part of the CERTCOST project found national governmental logos, logos of farmers' associations and their umbrella organisations and logos of certification bodies most frequently used across all countries. The EU logo was found frequently only in Italy and Denmark, whereas in the UK about one third of products sold did not carry any certification logo, other than the identification of the control body as required by law (Janssen and Hamm, 2008).

Relevant to the question of communication of organic certification is not only what logos or claims are placed on organic products but what credibility these have with consumers. Botanaki et al. (2006) point to the low awareness of Greek consumers of organic and integrated certification marks and attribute this to a lack of promotional activities. Consumers in the UK were found to mistrust company labels (e.g. Tesco organic) more than NGO labels (such as the Soil Association), even if most of

Tesco's organic range may be certified according to Soil Association standards but without showing the logo (Eden et al., 2008a).

After an extensive review of literature Bowen (2008) concluded that most European consumers appear to only have a vague knowledge of concepts rather than any detailed knowledge of the system and guarantees provided by organic certification. One exception is the relatively high awareness and confidence among Danish consumers in the rules and inspection systems. The review further indicated that there are no existing surveys that look at the sensitivity of consumers to differences in organic standards in Europe. This is the focus of research in WP 3 of this project.

3.5 Concluding remarks

In a number of publications the following problems and weaknesses of organic certification under Regulation (EEC) 2092/91 were highlighted.

Several authors have concerns about the negative impact of competition on the rigour of the certification systems, similar to concerns expressed about food certification in general in Chapter 2. Wai (2007) points out that in the organic sector worldwide, control bodies compete for business and do this on standards, on authorizations and on service. Schulze *et al* (2006) refer in particular to the institutional set-up of organic certification systems. Control bodies that try to introduce a risk classification have to convince their clients (operators) of the advantages of a risk oriented approach. Varying intervals, depth and focus of auditing visits and unannounced spot checks may appear unfair to producers who have to pay for inspection/certification. Metera (2009) referred to the fact that data protection rules have been preventing open communication between CBs and limiting the availability of information about certified operators across the EU.

The German Ministry of Agriculture commissioned a systematic "gap analysis" of the control system and the inspection procedures under Regulation (EEC) No. 2092/91. A short review of international literature highlighted the lack of risk orientation of the inspection system as one weakness. The German report made a number of recommendations for improvement, linked to the objectives of the regulation of protecting the consumer and promoting fair competition and transparency in the marketplace for organic products, as well as in the promotion of organic agriculture (GfRS, 2003).

Neuendorff (2009) summarised the recommendations first identified by a German working group on fraud prevention as follows:

- 1) Responsibility of the individual operators for organic integrity should be enshrined in the system
- 2) Risk orientation applied in the inspection systems and more flexible application of it
- 3) Greater transparency along the supply/value chains and for consumers.

The European Court of Auditors investigated the control system for organic farming as part of the control of agri-environment measures (Anon, 2005). It noted several weaknesses. Not all Member States had sent supervision reports according to the agreed schedule. The information provided did not contain any conclusions regarding

the functioning of the systems. The Commission made only limited use of the reports and no clear guidelines to the competent authorities regarding how to carry out the supervision of inspection system existed. The Commission stated the intention to review the control system as part of the total revision of the Organic Regulations in its response that is included in the publication (Anon, 2005).

The European Action Plan for Organic Food and Farming (EC 2004) refers to a lack of flexibility with regard to the number and frequency of inspections of organic operators. In Action 13 it states the objective to *“improve the performance of the inspection bodies and authorities by introducing a risk-based approach targeting operators presenting the highest risk in term of fraudulent practices, and by requiring cross inspections under EEC 2092/91.”*

4 CONTROL REQUIREMENTS IN THE EUROPEAN REGULATION (EC) 834/2007 AND RELATED IMPLEMENTING RULES

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The total revision of the European regulatory framework for organic food and farming resulted in the Council Regulation (EC) 834/2007 on organic production and labelling repealing Regulation (EEC) 2092/91. The Commission Regulations (EC) 889/2008 and (EC) 1235/2008, laying down detailed implementing rules, were published the following year. Both regulations came into force on 1 January 2009. Implementation rules for other areas not yet covered will be published at later times.

The main aim of this section is to summarise the provisions for the certification requirements for competent authorities, control bodies and operators in the Regulation (EC) 834/2007 together with provisions set out in the Commission regulations. The chapter also considers other regulations to which Regulation (EC) 834/2007 refers, in particular Regulation (EC) 882/2004 for Official Food and Feed Controls and the requirements arising from ISO 65/EN45011 for bodies operating product certification systems. This is followed by a brief discussion considering the likely impact of these provisions on the organic control system in Europe.

4.1 European Community legislation on organic food and farming

4.1.1. Council Regulation (EC) 834/2007 on Organic Production

In line with the European Action Plan for organic food and farming the European Commission began the process of a total revision of its organic regulation (Council Regulation (EEC) 2092/1991) in 2005. The majority of the rules related to production remained unchanged in the new regulation, but the number of derogations has been reduced and a framework for strictly regulated regional flexibility has been introduced. The following Council Regulations are in force since January 2009.

Box 3: Regulation (EC) 834/2007

Council Regulation (EC) No 834/2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91 *Official Journal of the European Union* L 189 (20.07.2007): 1-23.

Council Regulation (EC) No 967/2008 amending Regulation (EC) No 834/2007 on organic production and labelling of organic products as regards the entering into force of the mandatory use of the new EU organic logo. *Official Journal of the European Union* L 264 (03.10.2008): 1-2.

The main aims of the total revision were to review the legal framework with a view to ensure simplification and overall coherence, and in particular establish principles encouraging the harmonisation of standards, and where possible, reduce the level of detail and the number of derogations. Objectives, definitions, principles and basic rules on labelling, control, imports and production are now stated in one Council Regulation, while the implementation rules are stated in Commission regulations.

Another aim was to divide the Council Regulation (EEC) 2092/91 into regulation at two different levels, Council regulation on the basic and general requirements and principles plus Commission regulations specifying the more detailed implementing rules. This division has the advantage that changing of the more detailed regulation on implementation and the annexes will be much easier than before, because Commission regulations can be passed by the Commission alone, while Council regulations have to go through the very time consuming decision procedure in the European Parliament and the Council before they can be passed.

4.1.2. Commission Regulations (EC) 889/2008 and (EC) 1235/2008 laying detailed rules for implementation

The detailed production rules (implementing rules) are now laid down in the Commission regulations to which additional parts will be added through amendments. The following Regulations with amendments have been published so far.

Box 4: Regulation (EC) 889/2008

Commission Regulation (EC) No 889/2008 of 5 September 2008 laying down detailed rules for the implementation of Council Regulation (EC) No 834/2007 on organic production and labelling of organic products with regard to organic production, labelling and control. *Official Journal of the European Union* L 250 (18.09.2008): 1-84.

Commission Regulation (EC) No 710/2009 of 5 August 2009 amending Regulation (EC) No 889/2008 laying down detailed rules for the implementation of Council Regulation (EC) No 834/2007, as regards laying down detailed rules on organic aquaculture animal and seaweed production. *Official Journal of the European Union* L 204 (06.08.2009): 5-34.

Commission Regulation (EU) No 271/2010 of 24 March 2010 amending Regulation (EC) No 889/2008 laying down detailed rules for the implementation of Council Regulation (EC) No 834/2007, as regards the organic production logo of the European Union. *Official Journal of the European Union* L 84(31.3.2010): 19-22.

Commission Regulation (EC) No 1235/2008 of 8 December 2008 laying down detailed rules for implementation of Council Regulation (EC) No 834/2007 as regards the arrangements for imports of organic products from third countries. *Official Journal of the European Union* L 334 (12.12.2008): 25-52

Commission Regulation (EC) No 537/2009 of 19 June 2009 amending Regulation (EC) No 1235/2008, as regards the list of third countries from which certain agricultural products obtained by organic production must originate to be marketed within the Community. *Official Journal of the European Union* L 159 (20.06.2009): 6-9

Further guidance on the interpretation of the Council and Commission Regulations is provided in guidance documents. A guidance document on the import regime has already been published (EC-AGRI, 2008); a guidance document on the control systems is expected to be published in 2010.

4.2 Regulation (EC) 882/2004 on Official Food and Feed Controls

Article 27, 1&2 and 8 of Regulation (EC) 834/2007 make reference to two other pieces of legislation that have relevance to the organic control systems, Regulation (EC) 882/2004 and ISO 65/EN 45011.

This regulation is also referred to as the OFFC (Official Food and Feed Control) Regulation. It makes specific reference to the organic regulation, mentioning that it contains specific measures for the verification of compliance with the requirements contained therein, and that the requirements of regulation (EC) 882/2004 should be flexible enough so as to take account of the specificities of these areas (Preamble, paragraph 9).

Box 5: Regulation (EC) 882/2004

Regulation (EC) No 882/2004 of the European Parliament and of the Council of 29 April 2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules. *Official Journal of the European Union* L 165, (30.4.2004): 1-141.

This Regulation aims to establish, at Community level, a harmonised framework of general rules for the organisation of controls enforcing feed and food law, animal health and animal welfare rules and to monitor and verify that the relevant requirements thereof are fulfilled by business operators at all stages of production, processing and distribution.

The following aspects addressed in the OFFC Regulation are relevant to the organic control system:

- Member States shall ensure that official controls are carried out regularly on a risk basis and with appropriate frequency (Article 3).
- Competent authorities delegating specific tasks to control bodies shall organise audits or inspections of control bodies as necessary. Control bodies shall communicate the results of the controls carried out to the competent authority on a regular basis or whenever the competent authority so requests. If the results of the controls indicate or point at the likelihood of non-compliance, the control body shall immediately inform the competent authority. (Article 5).
- In general the public shall have access to information on the control activities of the competent authorities and their effectiveness (Article 7)
- Each Member State shall prepare a single integrated multi-annual national control plan (Article 41).
- The competent authorities are not allowed to delegate actions in case of non-compliance of operators to the control bodies (Article 5 and 54).
- Member States shall lay down the rules on sanctions applicable to the infringements of the feed and food law and other Community provisions (Article 55).
- Specific measures taking account of the specificity of Regulations (EEC) No. 2092/91 may provide for the necessary derogations from and adjustments to the rules laid down in (EC) 882/2004. The measures are to be adopted in accordance with the procedure of Decision 1999/468/EC⁴ (Article 64 and 63, 3).

The direct implications of some of the general principles and requirements of Regulation (EC) 882/2004 on the control system of the organic sector are yet not fully understood (see discussion below).

⁴ Decision 1999/468/EC of 28 June 1999, *Official Journal of the European Union* L 184 (17.07.1999): 23-26, with amendment, Council Decision 2006/512/EC of July 2006 *Official Journal of the European Union* L 200 (22.07.2006): 11-13, laying down the procedures for the exercise of implementing powers conferred on the Commission (on advisory, management and regulatory committees assisting the Commission)

4.3 ISO 65 / EN 45011 on requirements for product certification schemes

Box 6: ISO Guide 65

ISO/IEC Guide 65 on general requirements for bodies operating product certification systems published by the European Union as **Standard EN 45011** in the C series of the Official Journal in 1998 (referred to in Article 27, 5 (c) of Regulation 834/2007).

ISO 65 specifies general requirements that a third-party (i.e. certification body) operating a product certification system shall meet if it is to be recognized as competent and reliable. The word 'product' is used in its widest sense and includes processes and services. Certification of a product is a means of providing assurance that it complies with specified standards and other normative documents thereby facilitating their acceptance on a national and international basis and so furthering international trade.

ISO 65 covers requirements for the organization and operation of a certification body and its quality management system. This includes provisions regarding the structure of the body and requirements for policies and procedures regarding personnel qualification, documentation, and evaluation of applicants, their certification and surveillance. ISO 65 focuses on certification and includes reference to testing or inspection as part of certification but does not provide detailed requirements on inspection. The inspection requirements of the EU Organic Regulation and ISO 65 can therefore be seen as complementary.

ISO/IEC Guide 65 is at the moment being revised and renamed as ISO/IEC CD 17065 (Conformity assessment - requirements for certification bodies certifying products, processes and services).

4.4 Regulation (EC) 765/2008 on the requirements for accreditation

Regulation (EC) 765/2008 setting out the requirements for accreditation also has relevance, but was passed later than Regulation (EC) 834/2007 and is therefore not mentioned in Article 27. According to (EC) 765/2008 the national accreditation bodies shall operate on a "not-for-profit" basis (Article 4, 7) and they shall not compete with other national accreditation bodies (Article 6, 2). However, they are permitted to operate across borders within another member state under certain circumstances (Article 6, 3).

Box 7: Regulation (EC) 765/2008

Regulation (EC) 765/2008 of the European PARLIAMENT and of the COUNCIL of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93, Official Journal of the European Union L 218 (13.8.2008): 30-47

This regulation establishes a common legal basis for accreditation in the EU and provides a comprehensive framework covering conformity assessment both in the mandatory area (such as organic farming) and the voluntary area. It requires each Member State to establish an accreditation body. With the new requirements of (EC) 834/2007, Article 27, 5 (c) on mandatory accreditation, certification bodies located in the EU have to be accredited by the national accreditation body of the country, where they are registered for their operations in the EU.

4.5 Control requirements in Regulation (EC) 834/2007, the implementing rules and related regulations

Control system requirements are mainly set out as requirements for the competent authorities and for the operators. The requirements for control bodies and control authorities to which certain control tasks can be delegated are included under the heading of competent authorities in Article 27 of (EC) 834/2007 and in Article 5 of (EC) 882/2004 on delegation of specific tasks related to official controls. Council Regulation (EC) 834/2007 and the Commission Regulation (EC) 889/2008 have introduced a number of changes in relation to the control systems compared to (EEC) 2092/91. One of the most important ones is that risk based controls are envisaged and that the control system is placed under the OFFC roof.

However, Member States continue to have different control systems that can be based on private control bodies, public control bodies (control authorities) and combined systems (see Table 3).

Table 4: Type of certification systems in EU member states in 2009

Control system	Countries
A = systems with private control bodies	AT, BE, BG, CY, CZ, DE, EL, FR, HU, IE, IT, LV, PT, RO, SK, SI, SE, UK
B = systems with control authorities	DK, EE, FI, LT, NL
C = combined systems of control authorities and private control bodies	ES, LU, MA, PL

Source: EC (2009)

Figure 2: Summary of provisions in Regulation (EC) 834/2007 and Implementation Rules (EC) 889/2008 with regard to organic production, labelling and control

Topic	EU Reg 834/2007	Details in Reg. 889/2008	Positive list in Reg. 889/2008, Annexes
Objectives & Principles	Title I – III (Art. 1 – 11)		
Plant Production	Title III Art. 12 –	Art. 3 – 6, 36, 37, 40 (General)	Annex I (Fertilizers)
			Annex II (Plant protection)
		Art. 45, 48 – 56 (Seeds)	Annex X (Seeds)
			Planned: Disinfection
Animal Husbandry	Art. 14 –	Art. 7 – 26, 38 (General)	Annex III (Minimum)
			Annex IV (Maximum)
		Art. 39 – 44, 46 – 47	Annex V (Feed)
			Annex VI (Feed additives)
			Annex VII (Desinfection)
Processing (Food and feed)	Art. 18 –	Art. 27– 29	Annex. VIII (Aids and additives for processing)
			A IX (non-organic)
Inspection	Title V (Art. 27 – 31)	63 – 69, 91 – 92	Annex. XII (Certificate)
		70 – 73 (Plant)	Annex XIII (Non-GMO confirmation)
		74 – 79 (Animal)	
		80, 86 – 90 (Processing)	
Labelling, transport	Title IV & VI (Art. 23 – 26)	Art. 30 – 35	Annex. XI (Logo)
		Art. 57 – 62	

Source: FIBL

The (EC) 834/2007 uses the term ‘control’ rather than inspection, which was used in the old regulation (EEC) 2092/91, and the terms ‘competent authority’, ‘control authorities’ and ‘control bodies’ are now defined in Article 2, while there were no definitions of these bodies in the former regulation (EEC) 2092/91.

4.6 Control requirements for the competent authority

The main requirements for competent authorities in Regulation (EC) 834/2007 are summarised in Table 5.

Table 5: Control requirements in Regulations (EC) 834/2007, (EC) 889/2008 and (EC) 882/2004 for competent authorities of Member States

Article/ Annex	Summary of requirements
EC/834 /2007	<i>The competent authorities of member states have to:</i>
27.1	set up a control system that also conforms to EC/882/2004 and designate one or more competent authorities
27.3	determine frequency of control on the basis of risk, but annual verification is required
27.4	may delegate some control duties to other authorities/bodies, but some exclusions apply (see Article 5 and 54 of EC/882/2004)
27.4(a)	ensure that CBs are objective and impartial
27.5	ensure that private CBs are accredited according to ISO65/EN 45011
27.6	ensure that CBs follow standard procedures and have measures that apply when infringements are found
27.7	may not delegate the competence to grant exceptions as referred to in Article 22 on exceptional production rules unless provided for in the specific conditions laid down by the Commission
27.10	issue a code number for control bodies and control authorities
27.13	see that traceability is maintained to all products at all stages
27.14	keep an updated list of operators and make it available to interested parties
28.3	have a body for reception of notifications from operators
28.4	ensure that operators that meet certain conditions can be covered by the control system
30.1	ensure that reference to organic production is removed from the entire lot where irregularities are found, and that where manifest infringements are found the operator is prohibited from marketing any organic product

Article/ Annex	Summary of requirements
30.2	immediately exchange information on infringements and irregularities with relevant CBs, Member states and Commission
EC/889/2008	
45	authorize derogations or grant general authorizations as defined, and manage a database on the availability of organic seeds if designated by the Member State
91.2	take action in substantiated suspicion that an operator intends to place on the market a non-compliant product
EC/882/2004	
5.1	not delegate activities to control bodies referred to in Article 54, which says that when the competent authority identifies non-compliance it shall take action to ensure that the operator remedies the situation taking into account the nature of the non-compliance and the past record of the operator with regard to non-compliance
5.3	If specific tasks are delegated to control bodies, organise audits or inspections of the control bodies as necessary. If it hereby appears that such bodies are failing to carry out properly the tasks delegated to them, withdraw the delegation if considered necessary
7.1	ensure that their activities are carried out with a high level of transparency giving the public access to information on the control activities of the competent authorities and their effectiveness
41	prepare a single integrated multi-annual national control plan
55.1	lay down the rules on sanctions applicable to infringements of feed and food law and other Community provisions relating to the protection of animal health and welfare and take all measures necessary to ensure that they are implemented

4.6.1. Setting up of control system and delegation of control tasks

Competent authorities have to set up a control system. The control system in each member state should also conform to the requirements laid down in Regulation (EC) 882/2004 on Official Food and Feed Control (OFFC) which therefore becomes the official framework also for the control systems in organic farming (see Table 2).

Competent authorities can delegate control tasks to one or more control bodies and control authorities (Art 27.4) but some exclusions are stated: The competent authorities have to provide a clear description of any control task they are delegating, and the control bodies and/or control authorities have to meet a number of conditions, (see below). Control authorities and control bodies also have to meet the requirements laid down for OFFC control bodies in Regulation (EC) 882/2004.

The Regulation (EC) 834/2007 clearly states that certain tasks cannot be delegated by the competent authority, such as supervision and audit of the control bodies and

the competency to grant exemptions in relation to the provisions related to flexibility in Art 22. The competent authority has to ensure that operators who comply with the rules have access to a suitable control system.

The competent authorities for the organic regulation and control also have to meet the requirements of the OFFC regulation. Requirements for competent authorities arising from Regulation (EC) 882/2004 are summarised in the first draft of a Guide on official controls in the organic sector⁵ as follows: Competent authorities have to ensure effectiveness of control system, have documented and transparent control procedures, carry out internal and external audits, regular reporting of control activities, have appeals procedures for operators, take action in cases of non-compliance and, specify sanctions applicable to infringement. When control tasks are delegated, efficient co-ordination between bodies and authorities has to be ensured.

4.6.2. Approval, accreditation and surveillance of control bodies

Competent authorities may delegate the competence to carry out official controls from the central level to a regional or local level on the condition that there is effective and efficient coordination between the central and the regional or local level (EC 882/2004, Article 4.3). Member states that delegate control tasks to private control bodies have to approve these bodies in line with the criteria laid down in Article 27.5. One requirement is that the control body has to be accredited to ISO 65/ EN 45011. Public control authorities do not need such an accreditation.

Accreditation is a means of assessing and conveying the competency of a private control body to carry out its control functions. The legal environment for accreditation activities in Europe established in Regulation (EC) No 765/2008 came into force on 1 January 2010 (see p.39). Following from this, most EU member states will have a national accreditation body (or agreed collaboration with an accreditation body in another EU member state) by which the CBs have to be accredited. National accreditation bodies accredit the CB's within the scope of ISO 65/ EN 45011.

Private control bodies also have to be approved by the competent authority in relation to other requirements. Member States have mostly adopted national rules defining the requirements for approval of private control bodies and the surveillance system for them. For the approval of the private control bodies the competent authority of the Member States will consider the outcome of the accreditation.

The surveillance system of competent authorities and accreditation bodies may overlap. For example, the German authorities have an approval system for inspectors where the CB's have to prove the qualification of their inspectors. The UK also had inspector approval procedures and is currently considering some form of agreement with the UK Accreditation Service (UKAS) setting out how requirements from (EC) 834/2007 not covered by ISO 65 can be included in the surveillance of private control bodies through UKAS.

It is likely that without further guidance national provisions regarding how to evaluate the control activities will vary in relation to some criteria. For example: what means

⁵ EC-Agri 2009. *Guidelines on official controls in the organic sector. European Commission, DG, Agriculture and Rural Development. 1st draft. 10 Dec 2009 Brussels.*

‘suitably qualified and experienced staff’, what are ‘sufficient experience and resources’, in what form and how often should the regular communication of control results take place as well as the format and frequency of surveillance and witnessed inspections.

A ruling from the European Court of Justice (ECJ) in a case brought by the European Commission against Germany in November 2007 establishes the principle that approval by a Member State of a particular control body means that such a control body may operate anywhere in the EU, and another Member State may not require a national branch office. Responsibility for ensuring that it operates in accordance with the rules rests with the Member State by which it is approved. Germany has subsequently revised its implementation rules⁶ accepting other Member States’ approvals provided that the CB has qualified personnel and an adequate infrastructure to perform its tasks. It is yet too early to assess the implications of this ruling.

4.6.3. Risk base and frequency of inspections

Article 27.3 of Regulation (EC) 834/2007 states that the nature and frequency of controls shall be determined on the basis of an assessment of the risk of occurrence of irregularities and infringements of the organic regulation, but in any case all operators with the exception of wholesalers dealing only with pre-packed products and operators selling to the final consumer or user shall be controlled at least once per year.

The OFFC Regulation (EC) 882/2004 requires regular risk based controls with an appropriate frequency (Article 3, 1), but does not provide guidance on what an ‘appropriate frequency’ means. The relationship between frequency of inspections and risk is addressed in the Pre-ambule (Recital 13, EC/882/2004).

“The frequency of official controls should be regular and proportionate to the risk, taking into account the results of the checks carried out by feed and food business operators under HACCP based control programmes or Quality Assurance Programmes, where such programmes are designed to meet requirements of feed and food law, animal health and animal welfare rules. Ad hoc controls should be carried out in case of suspicion of non-compliance. Additionally ad hoc controls could be carried out at any time, even where there is no suspicion of non-compliance.”

Article 3.2 of Regulation (EC) 882/2004 mentions that the official controls shall be carried out without prior warning, except in cases such as audits where prior notification of the feed or food business operator is necessary or on an ad hoc basis. As the annual organic control visits of the operators usually involves audit of the accounts they have until now been announced by the control body in advance.

According to (EC) 834/2007, Article 27.13 the Member States shall ensure that the control system allows for the traceability of each product at all stages of production, preparation and distribution. This extends the requirement of traceability to all

⁶ Gesetz zur Anpassung von Vorschriften auf dem Gebiet des ökologischen Landbaus an die Verordnung (EG) 834/2007 des Rates vom 28.06.2007 über die ökologische/biologische Produktion. Bundesgesetzblatt 2008, Teil 1. Nr 56 ausgegeben am 10 December 2008. ’

products that was only stated for livestock products in the former organic Regulation (EEC) 2092/91.

4.7 Control requirements for control bodies

Requirements for organic control bodies are set out in four different regulatory sources, some of which cover similar requirements

1. Articles 27 and 28 of Regulation (EC) 834/2007 as requirements for bodies to which certain control tasks can be delegated
2. Chapter 4 of Regulation (EC) 889/2008.
3. EN 45011/ISO 65 to which CBs have to be accredited by a national body; accreditation is mandatory according to Article 27.4 of Regulation (EC) 834/07;
4. Regulation (EC) 882/2004, according to which control bodies should also carry out their control tasks in accordance with this regulation in cases where no specific requirements are stated in the organic regulations. The implications of this are currently not fully understood.

In the Regulation (EC) 834/2007 most inspection/certification requirements for control bodies are set out as requirements for the competent authority in relation to the approval of such bodies. They include reference to Regulation (EC) 882/2004 and to ISO 65 (see Table 5). Traceability requirements have been extended to all products and all stages from previously being stated only for livestock products.

While the Regulation describes the 'minimum control requirements' it often does not provide detailed rules. It is up to the control bodies or Member States to define these requirements further. For example, the requirements according to the regulation regarding taking and analysing samples for residues are rather vague: "*Samples may also be taken and analysed for detecting possible contamination by products not authorised for organic production. However, such analysis shall be carried out where the use of products not authorised for organic production is suspected*" (EC/889/2008, Art. 65.2). Germany is currently looking at specifying the requirements on residue testing and to define how many samples have to be taken or analysed.

Similarly, in relation to unannounced inspections the regulation requires: "*the control authority or control body shall carry out random control visits, primarily unannounced, based on the general evaluation of the risk of non-compliance with the organic production rules, taking into account at least the results of previous controls, the quantity of products concerned and the risk for exchange of products*" (EC/889/2008, Art. 65.4). Germany has defined in its Guidelines for Approval of Certification Bodies) that control bodies have to inspect at least 10 % of the operators unannounced – the Bundesländer may further define a higher share of unannounced inspections (BLE, 2009).

Table 6: Control requirements in Regulations (EC) 834/2007 and (EC) 889/2008 for control bodies

Art No	Summary of requirements
EC/834/2007	Control bodies (inspection and certification) have to:
27.5b	ensure that conditions in Article 5(2) of (EC) 882/2004 are satisfied
27.5b	have the expertise, equipment, infrastructure, and qualified staff to carry out controls and be impartial and free from conflict of interest (the content of this article corresponds to Article 5 (2) of (EC) 882/2004)
27.5c	be accredited according to EN 45011
27.5d	communicate regularly the outcome of controls to the competent authority or whenever the competent authority so requests and inform the competent authority of non-compliance
27.11	give the Competent Authority access to premises and information for the purpose of supervision
30	pass on immediately information on cases of irregularities or infringements affecting the organic status of a product to other control bodies, control authorities and competent authorities
31	exchange of information on results of controls
EC/889/2008	
63 to 92	follow minimal inspection requirements for specific types of operators

Article 27 of (EC) 834/2007 clearly recognises that there is need for an effective co-ordination between the competent authority and the control bodies and places responsibility to facilitate this also on the control body. Article 27.5 requires that control bodies have to be competent (e.g. expertise, infrastructure and qualified staff) to carry out organic controls but does not provide further guidance on criteria for evaluation of competency.

According to Regulation (EC) 882/2004 (OFFC) the control body should ensure that staff is free from conflict of interest and should have suitable resources (qualified and trained staff, laboratory resources, facilities and equipment). Similar provisions are repeated in Regulation (EC) 834/2007

ISO 65 specifically sets out requirements that third-parties (i.e. certification bodies) operating a product certification system have to fulfil if they are to be recognized as competent and reliable.

Regulation (EC) 834/2007 and ISO 65 use different terms for the same issue. The EC Regulations use the term 'control' whereas ISO uses 'certification' for activities of verification of requirements. Also 'operator' (EC Regulations) and 'supplier' (ISO) are used in the same sense.

Table 7: Areas in which requirements are defined by ISO 65/EN 45011

Article No	Requirement area
4	Organisation, operation, sub-contracting, quality system, granting certification, internal audits and management review, documentation and records, confidentiality
5	Personnel
6	Changes of the certification requirements
7	Appeals and complaints
8	Application
9	Preparation for evaluation
10	Evaluation
11	Report
12	Decision
13	Surveillance
14	Licences
15	Surveillance of complaints at the level of the operators

The regulations (EC) 882/2004, (EC) 834/2007 and ISO 65/EN45011 state some requirements for the same areas. In some cases they differ in detail and emphasis but there are no fundamental contradictions. For example Regulation (EC) 834/2007 has detailed requirements on applications and provides a sample pro-forma for the certificate whereas ISO also has more general provisions for these areas. Whereas ISO 65 places more emphasis on confidentiality of details of operators, Regulation (EC) 834/2007 and (EC) 882/2004 focus more on the need for communication and co-ordination between control bodies and competent authorities. Besides, Regulation (EC) 882/2004 also emphasizes the importance of transparency and public access to the control activities of the competent authorities (Article 7). The only more significant difference arises from the statement in (EC) 882/2004 (Article 3.2) that official controls shall be carried out without prior warning except in cases such as audits which is clearly not envisaged in (EC) 834/2007.

4.8 Control requirements for operators

Operators have to comply with the organic production rules in (EC) 834/2007 and (EC) 889/2008). Many of the provisions have been transferred unchanged from the previous regulation (EEC) 2092/91 (see Table 8).

Operators have to notify the competent authority of their activities, submit themselves to the control systems and pay a reasonable fee contributing to the costs of the controls (Art 28.1 &4 of (EC) 834/2007).

The labelling rules specified in Article 23 (EC/834/2007) states that the term organic can be used for unprocessed products and processed products which are mono-ingredient products and have terminated the conversion period, or multi-ingredient products with an amount of organic agricultural ingredients equal to or higher than 95% by weight. The compulsory labelling requirements in Article 24 specify that code number of the control authority or control body having carried out the control has to be shown. On pre-packed products it is compulsory from 1 July 2010 to show the EU organic logo together with an indication of the place where the agricultural raw materials of the product have been farmed, i.e. ‘EU Agriculture’ / ‘non-EU Agriculture’, ‘EU Agriculture/non-EU Agriculture’. This can be replaced by the name of the country, when at least 98 % of the agricultural raw materials have been farmed in that country.

Table 8: Control requirements in Regulations (EC) 834/2007 and (EC) 889/2008 for operators

Article No	Summary of requirements
EC/834/2007	Operators (producers/processors) have to
28.1 (a&b)	notify activities and submit to inspection
28.4	pay a reasonable fee as a contribution to the costs of control
8	comply with production rules set out in Regulation (EC) 834/2007 and in the implementing rules of Regulation (EC) 889/2008
23	comply with the labelling rules as set out
24	show compulsory indications on packaging (code number of control body and EU logo where relevant) and some indication of origin and mandatory list of organic ingredients
29.1	verify documentary evidence in relation to suppliers
EC/889/2008	
63.1 & 71 to 90.	provide documentary evidence in line with detailed inspection requirements set out for various types of operators
91.1	take action in case an operator considers or suspects that a product he has produced, prepared, imported or received from another operator is not in compliance with organic production rules

ISO 65 is only indirectly relevant to operators because it states that certification bodies have to require suppliers (i.e. “operators” according to the EU Reg.) to keep records of all complaints made known to the supplier.

The provisions of Annex III of (EEC) 2092/91 on control systems were transferred to Title IV (Controls) of (EC) 889/2008 with few but important changes. In Annex I of (EC) 834/2007, Fertilisers and Soil Conditioners, the addition “*needs prior authorisation from the control body or control authority*” has been removed for all inputs. Hereby the control bodies and control authorities have lost the possibility to authorise various inputs mentioned in Annex I for use by a specific operator or in general. Speiser (2009) points to differences between member states in the implementation of the rules under (EEC) 2092/91 as one reason for this change.

Regulation (EC) 834/2007 and especially Regulation (EC) 889/2008 clearly place the responsibility on the operator to ensure that the use of certain inputs conforms to the principles and rules. According to Article 3 and 5 of Regulation (EC) 889/2008, operators shall keep documentary evidence of the need to use products, such as fertilizers, soil conditioners, plant protection products listed in annex I and II. This includes keeping sufficient documentation of the practices and inputs used, so that compliance with principles as well as rules can be verified as part of the regular controls.

Some certification bodies (e.g. in the UK) are concerned that this will lead to greater levels of accidental use of problematic inputs and have therefore decided to require prior authorisation in their own standards.

4.9 Labelling and communication to consumers

Council Regulation (EC) 834/2007 contains requirements for labelling. All pre-packed organic products in the EU will have to carry a common organic EU logo from 1 July 2010. After a competition on the design of the new logo and a voting procedure of the general public a new organic EU logo has been selected in February 2010⁷. The winning design ('Euro-leaf') gained 63% of the overall vote (see Figure 3). Commission Regulation (EC) 889/2008 has been amended by Regulation (EU) No 271/2010 of 24 March 2010 introducing the new logo into one of the annexes. A transition period for the use of the old organic EU logo of 2 years will apply.

The new logo can be carried voluntarily on un-packed products. The aim of the compulsory introduction of the EU logo on pre-packed products is to create clarity for consumers throughout the community market. It is expected that this will change the visibility of the EU logo which until now only has been widely used in some member states, e.g. Denmark and Italy (see Jansen and Hamm, 2009).

The EU logo can only be carried on fully converted products that have more than 95% organic ingredients. It can be shown in addition to other public or private quality labels (of private standards owners) or control labels (of public control authorities or private control bodies) and must be shown together with an indication of the origin of the raw materials (see above).

⁷ IP/10/142 Brussels, 8th February 2010: New logo selected for all EU organic products



Figure 3: The design which won the EU organic logo competition

4.10 Concluding remarks

The organic control regime has a number of different purposes:

- (1) Guaranteeing organic integrity according to organic regulations
- (2) Surveillance of Rural Development (RD) scheme requirements to a lesser extent, and
- (3) Supporting of the general food and feed controls

Overall responsibility for organic control activities lies with the competent authorities which report to the Organic Farming Unit of DG AGRI. Responsibility for surveillance of the agri-environment programmes lies with the bodies responsible for Rural Development programmes and also with DG AGRI. Responsibility for the general food and feed control lies with DG SANCO and the respective ministries of the Member States, which are also responsible for the food labelling laws. In 2005, with reference to the control system under EC Regulation 2092/91 the European Court of Auditors commented on the lack of consensus in the Commission regarding the priority of checking the organic farming control system. Whereas the Directorate-General for Agriculture and Rural Development (DG AGRI) stressed the value of these DG SANCO missions, DG SANCO stated that a low priority is given to further organic farming checks, because there are far more serious food safety issues that need investigating. The implications of the division of responsibilities in relation to the communication of breaches of the new organic regulation are not yet clear to the authors of this chapter.

Apart from the general reference to the framework of the OFFC, some articles of (EC) 834/2007 also repeat the text of (EC) 882/2004. Altena (2009) comments on a sense of confusion in the sector that the organic regulation does not state which articles of OFFC regulation must be seen as additional to EC/834/2007.

Given the different emphasis of the two control systems (organic integrity *versus* food safety) the full consequences of the reference to the organic control system remains

unclear. Nizet and Wirén-Lehr (2007) from the European Certifier Council state the opinion that the requirements of more recent regulations (i.e. 834/2007 and 889/2008) will dominate in implementation over the requirements of older regulations (i.e. (EC) 882/2004), and more detailed regulation will dominate over less detailed regulation (EC) 882/2004. However, in some areas the requirements of (EC) 822/2004 appear more specific than those of the (EC) 834/2007 (e.g. as regards sampling and analysis). This makes it difficult to fully understand all requirements for the organic control system. It is expected that this will be clarified further in the Guidelines on Official Controls in the Organic Sector, of which a first draft was published by DG AGRI on 10 December 2009 (EC-AGRI, 2009a).

Apart from the different use of terms ('control' *versus* 'certification'; 'operator' *versus* 'supplier', see above) requirements for control bodies in the different legal sources cover similar areas, but vary in the level of detail or in emphasis. For example Regulation (EC) 834/2007 has detailed requirements for certification and provides a sample certificate, whereas ISO mainly states more general provisions for these areas.

Slight differences exist in the emphasis in relation to sharing information. ISO 65 and Regulation (EEC) 2092/91 mention confidentially, whereas Regulation 834/2007 focuses on communication and co-ordination between control bodies and competent authorities as fraud prevention. For example the strict application of data protection rules have been preventing the open communication between control bodies and the availability of information about certified operators in certain countries (Metera, 2009).

The fact that requirements for the supervision and accreditation of control bodies are stated in several different legal sources may have introduced a new source of variability regarding the authorisation and surveillance of control bodies.

5 INTERNATIONAL INITIATIVES FOR HARMONISATION OF STANDARDS AND CERTIFICATION

Florentine Meinshausen and Elisabeth Rüegg, IMO

Organic food is traded globally and there is therefore an international dimension to organic standards and certification. This chapter explores a number of international initiatives related to harmonisation of organic standards and particularly certification requirements. The first section covers certification requirements of the WHO/FAO *Codex Alimentarius* standard on organically produced food. This is followed by sections on relevant activities of the International Task Force on Harmonisation and Equivalence (ITF, a joint initiative of the three international bodies UNCTAD/FAO/IFOAM), the International Social and Environmental Accreditation and Labelling Alliance (ISEAL), the European Organic Certifiers Council (EOOC), and the Anti-Fraud Initiative (AFI) of organic traders and other sector representatives.

5.1 *Codex Alimentarius* guidelines (GL 32-1999) on organically produced food

The Codex Alimentarius Commission (CAC) of FAO and WHO has the aim of harmonizing food standards on a global scale. In July 1992 the food labelling committee started to discuss and develop standards for organic production. The first guidelines for organic production, processing, labelling and marketing of organically process food were adopted in 1999, with livestock sections following in 2001.

The Codex guidelines are clearly aimed at facilitating international trade and state: “The Codex Committee on Food Labelling developed the Guidelines for the Production, Processing, Labelling and Marketing of Organically Produced Foods in view of the growing production and international trade in organically produced foods with a view to facilitating trade and preventing misleading claims. The Guidelines are intended to facilitate the harmonization of requirements for organic products at the international level, and may also provide assistance to governments wishing to establish national regulations in this area” (Preface, P iii)

Box 8: Codex Alimentarius Guidelines (GL 32-1999)

Codex Alimentarius Commission Guidelines (GL 32-1999) for the production, processing, labelling and marketing of organically produced foods. Joint FAO/WHO Food Standards Programme, Rome GL32- 1999, Rev. 1-2001, Rev. 1- 2004. Rome.

The stated aims in relation to the control system are to provide international guidelines for organic food control systems in order to facilitate recognition of national systems as equivalent for the purposes of imports.

The Guidelines include general sections describing the organic production concept and the scope of the text as well as specific sections on production, processing labelling claims and inspection and certification systems. In the foreword the guidelines make clear that being certified by an appropriate authority is an important part of the organic labelling claim (Point 6, p2).

The guidelines were developed with involvement of the European Union and other national governments.

Drawing on other CAC guidelines, the *Codex Alimentarius* guidelines on organic production provide a number of definitions that are relevant to the subject of certification, some of which (for example audit) are additional to the definitions provided by the Regulations (EC) 834/2007 and 889/2008. Codex guidelines use the term ‘certification’ and ‘certification body’ whereas the EU regulations use the terms ‘control’ and ‘control body’. The terms used in the EU can lead to some confusion because they are not in line with ISO definitions (see Chapter 1 Introduction).

5.1.1. Summary of the certification requirements in Codex Alimentarius Guidelines

The inspection of the organic management system is an integral component of certification (CAC, 2004). Procedures for operator certification are based primarily on a yearly description of the agricultural enterprise as prepared by the operator in cooperation with the inspection body. Likewise, at the processing level, standards are also developed against which the processing operations and plant conditions can be inspected and verified. Where the inspection process is undertaken by the certification body or authority, there must be clear separation. Further requirements for competent authorities and control bodies/authorities are summarized in Table 9.

Table 9: Certification requirements in *Codex Alimentarius* Guidelines on organic food (GL32-1999) for competent authorities, operators, and inspection bodies

Article/ Annex	Summary of requirement
6.1	The Principles for Food Import and Export Inspection and Certification ⁸ , the Guideline for the Design, Operation, Assessment and Accreditation of Food Import and Export Inspection and Certification System ⁹ should be respected
	Competent authorities should:
6.2 & 6.3	establish control system and can delegate control tasks to official recognised control bodies that applies at least inspection regime specified in the guidelines
6.4	identify a competent authority for the approval of control bodies
6.6.a-c	ensure that inspections carried out by control bodies are objective, verify their effectiveness, take appropriate action on cases of infringement
6.6.d	withdraw approval of control body if it no longer meets requirements
6.9a	ensure that in the case of irregularities indications are removed from the entire lot of production
6.9b	ensure that in the case of manifest infringement the operator does no longer market any product as organic
6.10	Guidelines for the Exchange of Information between Countries on Rejections of Imported Food ¹⁰ apply where the competent authority finds irregularities and infringements
	Control bodies have to:
6.5.a	have standards and control procedures
6.5.b	have penalties for infringement and irregularities
6.5.c	have appropriate resources in the form of qualified staff, administrative and technical facilities, inspection experience and reliability;
6.5.d	be objective vis-à-vis operator
6.7a	control bodies further have to ensure that at least the inspection measures and precautions specified are applied
6.7 b	not disclose confidential information
6.8a	provide access to higher authority for auditing purposes
6.8b	send list of operators to competent authority

⁸ CAC/GL 20-1995⁹ CAC/GL 26-1997 and other international standards such as ISO 65¹⁰ CAC/GL 25-1997

There is a considerable level of overlap between the Codex *Alimentarius* guidelines on organic food and the revised European regulations (EC) 834/2007 and 889/2008 and the topics mentioned in Codex are also covered (respectively met) by the EU, in most cases in more detail and using different terms.

5.2 International Task Force on Harmonisation and Equivalence in Organic Agriculture (ITF)

The International Task Force on Harmonisation and Equivalence in Organic Agriculture, was convened from 2003-2008 by FAO, IFOAM and UNCTAD. ITF was an open-ended platform for dialogue between public and private institutions (intergovernmental, governmental and civil society) involved in regulatory activities and trade in the organic agriculture sector. The objective was to facilitate international trade and access of developing countries to international markets.

As a baseline, ITF first reviewed and analyzed the situation (in 2003), including the impact of established organic regulations on trade, current models and mechanisms that enable trade, experiences of cooperation, recognition and equivalence in the organic sector, and potential models and mechanisms for harmonization, equivalence and mutual recognition or analysis of costs of Non-harmonisation (Wynen, 2004).

In the second phase, ITF developed solutions in three areas: standards for organic production and processing, conformity assessment, and new ways of public and private cooperation¹¹.

Key Agreements & Recommendations of the Task Force 2003-2008 were (ITF, 2008b):

Organic Standards: The ITF agreed that a single reference for organic standards is not yet a feasible proposition. Although the guidelines of the Codex *Alimentarius* Commission (CAC) and IFOAM Basic Standards (IBS) are very similar in content, their scope and governance are too distinct to be merged, but differences between the various organic standards are not fundamental. For production standards, ITF agreed that equivalence, i.e. accepting different organic standards as equivalent, is a more workable approach than harmonization of all organic standards into one single set of standard requirements. Production conditions simply vary too much to form the basis for a single, detailed international standard. Standards used in various countries should follow a basic framework that provides the basis for equivalence.

Requirements for control bodies: Differences between requirements also exist with regard to third-party certification bodies, but they tend to be small and are mainly related to questions of scale/stage of development of the sector in a certain country and to legal and administrative traditions. Harmonization appears to more a more realistic option. The ITF therefore developed and approved a set of International Requirements for Organic Certification Bodies (IROCB), on the basis of ISO 65 and the IFOAM Accreditation Criteria. The document can serve as a benchmark for

¹¹ The process of ITF discussions and access to all its work reports, presentations and information documents can be found on the UNCTAD website http://www.unctad.org/trade_env/ITF-organic/meetings

equivalence but could also be used for direct accreditation of control bodies (ITF, 2008a).

As part of this work to develop requirements for organic certification bodies, the task force compared ISO65/EN45011 requirements for control bodies with those used by the IFOAM accreditation process (Steidle and Alonso, 2007).

The main conclusion is that ISO 65 on its own is not sufficient to guarantee organic integrity. They point to three key differences, many of which are taken care of in Article 27 of the EC 834/2008.

Public private co-operation: ITF studied established and potential forms of cooperation that can increase access to organic trade, e.g. expert private evaluation services for governments, services by certification bodies to provide inspections (and perhaps even make decisions) for another certification body, and participation and cooperation among more private-sector accreditation bodies in organic accreditation. For this purpose, several discussion and briefing papers were developed, e.g. Cooperation in Conformity Assessment (Rundgren, 2008).

5.3 International Social and Environmental Accreditation and Labelling (ISEAL)

The International Social and Environmental Accreditation and Labelling (ISEAL) Alliance is a formal collaboration of leading international standard-setting and conformity assessment organisations focused on social and environmental issues. In 1999 four certification organisations – FSC (Forrest Stewardship Council), IFOAM (International Federation of Organic Agricultural Movements), Fairtrade and MSC (Marine Stewardship Council) – came together to discuss the feasibility and benefits of working in closer collaboration. Despite dealing with different products they recognised the high level of overlap in their systems and agreed to collaborate¹².

ISEAL aims to expand the role of voluntary standards systems in achieving social justice and ecological sustainability worldwide. Its mission is to create a world where ecological sustainability and social justice are the normal conditions of business. The ISEAL Alliance supports credible standards and conformity assessment by developing capacity building tools to strengthen members' activities and by promoting credible voluntary social and environmental certification as a legitimate policy instrument in global trade and development.

ISEAL Code of Conduct of Good Practice for Setting Social and Environmental Standards provides a benchmark to assist standard-setting organisations to improve how they develop credible social and environmental standards (see 5.3.1). ISEAL is committed to supporting models of conformity assessment that lessen the burden of certification on producers and enterprises, particularly in developing countries, while maintaining the credibility of the audit process. As a result, ISEAL is developing a Code of Good Practice on Verification that will provide additional guidance on improving auditing, certification and accreditation practices as they relate specifically

¹² <http://www.isealalliance.org/>

to the assessment of social and environmental standards. The code is expected for 2012.

ISEAL also carries out research on issues of common interest to verification organisations that supports an evolving understanding of good practice. Under this program, ISEAL has conducted research on conflicts of interest in conformity assessment and is engaged in a project to strengthen the technical competence of auditors to carry out social and environmental certification and accreditation. ISEAL has also developed the Common Requirements for the Certification of Producer Groups, supporting them in implementing credible structures and operating practices. These common requirements were developed through a consultative process that involved many of the key standard systems working in agriculture, and resulted in their potential adoption as baseline requirements across systems. This is one step to reduce the burden faced by producer groups in reporting to different standards.

5.3.1. Code of Conduct of Good Practice for Setting Social and Environmental Standards

The ISEAL Alliance facilitated a multi-stakeholder dialogue to develop the Code of Good Practice for Setting Social and Environmental Standards as a means to evaluate and strengthen voluntary standards, and to demonstrate their credibility on the basis of how they are developed (ISEAL, 2009). Primarily, the code is intended for application to standards that fulfil social and environmental policy objectives. By adhering to procedures that constitute good practice for setting standards, standard-setting organisations help to ensure that the application of their standard results in measurable progress towards their social and environmental objectives, without creating unnecessary hurdles to international trade.

IFOAM is a member of ISEAL and hence respects the code in setting its own standards. Most IFOAM accredited private certification schemes and many other organic label organisations apply the code (at least in its principles) when developing/revising their standards. An understanding of the code's requirements is therefore important to understand costs related to private voluntary organic certification schemes.

Key aspects of a credible standard setting process following the ISEAL code for standard setting include:

- Documented procedures for the process under which each standard is developed. Proper records of standard development activities shall be prepared and maintained by the standard-setting organisation.
- Standards shall be reviewed on a periodic basis for continued relevance and effectiveness in meeting their stated objectives and, if necessary, revised in a timely manner. A review process shall occur at least every five years.
- Interested parties shall be given opportunity to comment on the revision/development. The public review phase in the development of a new standard or revision of an existing standard shall include at least two rounds of comment submissions by interested parties. Each round shall include a period of at least 60 days for the submission of comments.

The standard-setting organisation shall take into account, in the further processing of the standard, the comments received during the period for commenting. The standard-setting organisation shall compile comments received according to the issues raised and shall prepare a written synopsis of how each material issue has been addressed in the standard revision. This synopsis shall be made publicly available.

The standard-setting process shall strive for consensus among a balance of interested parties. The standard-setting organisation shall establish and document procedures to guide decision-making in the absence of consensus. These procedures shall ensure that no group of interested parties can dominate nor be dominated in the decision-making process. Interested parties shall be made aware of these procedures at the outset of the standard-setting activity.

All approved standards shall be published promptly. Final international standards shall be placed in the public domain and, with the exception of reasonable administrative costs, shall be made available for free in electronic format.

The 2006 code is presently in revision and comments from a wide stakeholder consultation are being incorporated. The procedures for development of standards are further strengthened and stakeholder mapping is required to identify stakeholder groups and set participation goals. A public summary for the standard development process will be required.

5.4 European Organic Certifiers Council (EOCC)

The European Organic Council Certifiers (EOCC) is a group of European organic certification bodies interested in cooperation and exchange of information. The first meeting in August 2000 was held in order to discuss the information of a European group active within the framework of the EC Regulation for organic agriculture and foodstuffs. So far 28 inspection/certification bodies participate as members and 12 act as observers in the EOCC¹³.

The EOCC aims to improve and strengthen inspection and certification of organic production within the EU. The following items have been considered to be important:

- Representation and lobbying on EU Commission and EU Member States level. Main issues are new proposals on EU regulations and interpretation of regulations already in force with regard to “inspectability” of organic agriculture, processing and trade.
- Harmonising interpretations of the legal framework.
- Exchange of important information for all inspection bodies to counter fraud etc.
- Transparency in inspection and certification procedures.

EOCC has developed a Code of Conduct for Certification Bodies (EOCC, 2009) with the aim of harmonizing their procedures and to improve their professional client

¹³ <http://www.eocc.eu>

services, but also to strengthen the trustworthiness and reputation of organic certification as well as the quality assurance of organic products at large.

Issues covered in the code of conduct provide important feedback on the existing problems in the work of organic certification bodies (CB) and suggested solutions:

Fairness: Control bodies agree to respect their clients' right of self determination and independent responsibility. The code further encourages have a transparent and easy to understand fee structure and fair competition among control bodies. This includes a promise not entice clients away from other CBs through low cost offers and other unfair means, such as lower certification requirements.

Harmonisation: The CBs pledge to work towards a harmonised interpretation of the organic regulations and to work with other certifiers on best practice in fraud prevention and reduction.

Management of clients: If an organic company changes from one certifier to another, the certifier will always ensure that within 5 days all relevant certification information is transferred from the previous body before certification services are started. This is a very important commitment to reduce fraudulent practices. In some instances fraudulent companies can be de-certified by one certifier and by switching to another certifier become certified again without revealing previous inspection results. Thus the new certifier may take on a new client without investigating his certification history in detail. If a company is certified by multiple certifiers, they have to establish a regular data exchange, including major infringements in respect to organic regulations.

Qualification: There is a pledge to constantly improve the quality of the business and in particular to ensure appropriate qualifications of their inspection and certification personnel, especially in foreign countries.

Information: Signing control does agree to exchange necessary information with other CBs to ensure the protection of organic integrity and to participate in a Rapid Alert System Organic (RASO) [...] to inform each other in a timely and professional manner on problems with organic products in the market place.

Quality Assurance: Further joint developments and harmonisation in the field of quality assurance is supported, in particular with regarding to residue analysis and their professional interpretation. Information on certified clients will be published and frequently updated to allow rapid checks that clients are certified. Joint development and sharing of risk assessment procedures to help target spot inspections and identify potential fraud.

The area of arbitration is yet to be developed (EOCC, 2009).

The code has become the Certifiers Code of conduct of the Anti-Fraud Initiatives (see below). By the end of October 2009, 21 Organic Certification Bodies in Europe, the US and Israel had signed up to this code of conduct. The vast majority of organic certifiers, even some very large and internationally active ones, have not yet signed the code. Most certifiers are funded only by the audit and certification fees they charge to their clients and hence tend to focus only on the services to their clients and good certification practice rather than working on further exchange and joint developments. Some however may not wish to sign it because it would require a

clear change of practice. Some seem to find the code to lack precision and not be binding enough (Grosch, 2009).

One of the aims of EOCC is to improve lobbying and cooperation with authorities in critical aspects like fraud prevention or organic inspection procedures, where the experience of certifiers can provide important input for development of suitable and realistic control requirements by the EU commission as well as for national /regional competent authorities.

5.5 Anti Fraud Initiative

“Fraud is a phenomenon that can never be completely abolished in our society. Likewise, the organic market, which has currently the best quality management system of the whole food market, cannot completely prevent fraud. Every detection of a fraud case contributes to the improvement of organic certification because its quality assurance system is adaptive. The key to success is cross border communication among inspection and certification bodies, trade companies, label organisations and authorities” (Beate Huber, FiBL, Media release Oct. 08).

In 2007, 60 Experts from a variety of backgrounds from 10 European countries, the United States and China gathered for the first workshop on preventing fraud in organic trade. The 1st workshop was an initiative from Agro Eco, Netherlands; FiBL, Switzerland; GfRS, Germany; International Organic Accreditation Service (IOAS), USA and the European Organic Certifier Council (EOCC) and was held in Frick at FiBL Research Institute for Organic Agriculture on 2-3 October 2007. It resulted in the decision to develop a Code of Good Practice for certification bodies and for the trade. A follow-up meeting by leading organic traders in Europe was held in Amsterdam in February 2008 and resulted in the Declaration of Amsterdam which was signed by 22 leading European organic traders. It confirms the industry’s commitment to:

- Work out a code of best practice for organic traders & processors for individual as well as collective responsibilities and actions;
- Support the establishment and implementation of a code of best practice for organic certifying bodies;
- Put pressure on all suppliers and certifying bodies to work according to these codes of best practice;
- Influence authorities to take the necessary steps to utilize existing resources to support the goals of this declaration;
- Uniting their resources to build a system of transparency of exemplary good practices but also of fraudulent conducts, thus participating in the building of a system of continuous improving transparency of the organic industry.

The European Organic Certifier Council (EOCC) agreed to formulate a Code of Conduct for the certifiers (see above). Several meetings, facilitated by IFOAM and the Dutch Organic Trade and processors Association were held to review progress on the Code of Good Practice for traders.

A second full meeting in November 2008 - a follow up meeting to the Declaration of Amsterdam and on Codes of Conduct to reduce fraud & irregularities in organic trade - convened in Hamburg to review the progress and to present best practices in fraud prevention adopted by the industry (GfRS, 2008). A third meeting took place in September 2009 in Bologna. It included companies, control bodies and authorities and the specific exchange of information there is very useful for better cooperation in future. This meeting focused on Italy, and therefore only stakeholders from Italy or dealing with products importing from Italy were invited (FIBL, 2009). The 4th meeting of the Initiative took place in December 2009 in Brussels with the aim of allow EU authorities some involvement in the process.

The findings indicate some important problems of the present organic control system and proposed improvement measures. Two broad groups of fraud are identified: those related to farmers using non-approved inputs and those related to companies who buy conventional product and sell it as organic. The main conclusions of the meetings of AFI were summarized for the 4th meeting (Anon, 2009). The Inspection and certification system is sufficiently regulated, no more rules are necessary but the enforcement and effectiveness needs to be improved. This includes the need to ensure by the surveillance and control bodies that the requirements are fully implemented and the supervision by competent authorities and a level playing field. It further includes the development and more consistent use of the inspection tools (laboratory analysis, unannounced visits, Input/output reconciliations through account analysis and cross checks), a stronger focus on risk orientation in the scheme and a code of conduct for control bodies. Furthermore it is important to improve the communication and transparency among traders, certification bodies and authorities.

5.6 Concluding remarks

Organic standards fulfil many of the public and private requirements of modern trade, i.e. good agricultural practice, traceability, low or zero residues and should therefore be valuable part of wider efforts to promote the sustainability and productivity of agri-systems. However, for many developing countries organic certification can become a barrier and in local markets simpler alternative and localised credence systems could be more adequate (Giovannucci, 2006).

Several multilateral initiatives, like the International UNCTAD/FAO/IFOAM Taskforce on Harmonisation, have helped to achieve a much better understanding of the scope and limitations for harmonisation and joint approaches in standard setting and organic certification. Joint tools and improved methodologies for fraud prevention were developed with a participatory approach. Proposed actions do not necessarily solve all existing problems but and further strengthen and improve the organic sector by helping to identify best practice and improving dialogue and exchange between the many interested parties.

Consistent and ethical performance of certification bodies is a key element of the organic certification system. Competition and price pressure can have undesired effect on the quality of organic certification. The EOCC Code of Conduct for certifiers is an important step forwards. Another important element is the strengthening of the supervision of organic certifiers to cover the core aspects of organic quality assurance and integrity of personnel and business approach without increasing the

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reporting and administrative burden of certifiers. This would provide a level playing field in the highly competitive business of certification and more importantly would set an incentive for certification bodies to detect fraud. Detecting fraud and irregularities creates considerable additional work - and thus costs - for certification bodies and authorities. This is not valued by the system and is likely to also create negative media reports and a potential loss of clients of the certification body. Setting thorough, tighter supervision incentives for control bodies to detect fraud is therefore an important element to improve the effectiveness of the system.

6 ALTERNATIVE ORGANIC GUARANTEE SYSTEMS

Florentine Meinshausen and Elisabeth Rüegg, IMO

Organic food production for small holders in the developing world uses existing producer group structures as part of the certification system rather than relying exclusively on inspectors from European control bodies. The aim of this chapter is to provide a short overview of two alternative Organic Guarantee Systems of group certification based on Internal Control Systems (ICS) and participatory guarantee control (PGS) that have emerged over the past decade and have been further researched, developed and/or guided by a variety of organisations including IFOAM, ISEAL, the EU Commission and recently the USDA.

6.1 Overview of Alternative Organic Guarantee Systems

Smallholder Group Certification based on an Internal Control System (ICS) is a well established and accepted variation of the organic standard control procedures for groups of small and medium sized farms in developing and emerging countries. It is presently not accepted in the EU (Meinshausen and Eisenlohr, 2004b).

Participatory Guarantee Systems (PGS) typically target local or national markets and involve small farmers and agro-processors, traders and consumers in the certification process. Quality assurance relies on social conformity supported by participatory norms, procedures and conventions (Meinshausen and Eisenlohr, 2004a).

6.2 Group Certification based on an Internal Control System (ICS)

IFOAM defines ICS based group certification as being based on a documented quality assurance system that allows an external certification body to delegate the periodic inspection of individual group members to an identified body or unit within the certified operator. This means that the third party certification bodies only have to inspect the proper functioning of the system, as well as perform a few spot-check re-inspections of individual smallholders.

The rationale behind ICS based group certification is two-fold:

- 1) to facilitate smallholder certification i.e. simplify certification and reduce its cost for smallholders through coordinated documentation and
- 2) to implement and maintain a high quality assurance system for organic standards in smallholder production.

The EU accepts group certification based on an ICS for smallholder farmers in developing countries as defined by the OECD. The Guidance document for the evaluation of the equivalence of organic producer group certification schemes applied in developing countries (EC-AGRI, 2003) outlines the following characteristics:

- A substantial part of the inspection work is carried out by internal inspectors in as part of the internal control system set up by the group.
- The external inspection body verifies and evaluates the effectiveness of the internal control system and certifies the group as a whole.

The EU guidance document sets out a number of requirements for the groups and members of such a scheme. Only small farmers can rely on group certification as the only means of verification. Farmers of the group must apply similar production systems and the farms should be in geographical proximity. Larger farms (i.e. farms bearing an external certification cost that is lower than 2 % of their turnover) and processors and exporters can also belong to the group but have to be inspected annually by the external inspection body. Groups must be formally established with central management and be based on written agreements among members. The structure can be either a co-operative, or as a structured group of producers affiliated to a processor or an exporter. They shall have central management, established decision procedures and legal capacity and when intended for export, the marketing of the products must be carried out as a group.

Key features of an accepted Internal Control System (ICS) in the context of group certification are that there is a documented internal quality system that includes a contractual arrangement with each individual member of the group. The group designates internal inspectors to carry out internal controls who must receive suitable training. The internal quality system sets out rules to avoid or limit potential conflicts of interest of the internal inspectors. The internal inspectors carry out at least one annual inspection visit to each individual operator including visits to fields and facilities.

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The internal control system keeps appropriate documentation including at least a description of the farms and the facilities, the production plans, the products harvested, the contractual arrangement with each individual member and internal inspection reports.

The internal control system includes the application of sanctions to individual members who do not comply with the production standards. It shall inform the external inspection body of the irregularities and non-compliances found, as well as of the corrective actions imposed with the agreed time for completion.

The EU guidance document and the IFOAM ICS evaluation tool kits (see (Meinshausen and Eisenlohr, 2004b; Meinshausen and Eisenlohr, 2004a) provide further information on inspection and certification of organic grower groups.

This type of quality assurance does work very well in relatively simple production situations, i.e. if the applicable organic standards can be summarized well into a clear short set of criteria and if farm control is relatively simple and straight forward. The ICS takes some documentation burden off the shoulders of the individual producer and the farmers' organisation in a group with benefits of higher organic prices and direct market access often results in a high sense of self-responsibility of the growers. A well run ICS with well trained specialized internal inspectors can certainly provide an equally high if not higher degree of quality assurance than external certification visits of individual smallholder farmers with very limited time per grower due to time/cost constraints.

ISEAL recently published the common requirements for Certification of producer Groups to further harmonize group certification procedures between different standards (ISEAL, 2008). Van Beuningen argues that the new ISEAL common requirements on group certification are a first step towards developing organic certification more into a management system certification. Further developments of the organic system should look to use more of a combination of Plan-Do-Check Act Cycle methodology with priority setting as used in e.g. ISO22'000 including the Hazard Analysis Critical Control Points Methodology. This ISO HACCP methodology can also be simplified into a basic management approach for producer groups (van Beuningen and Knorringa, 2009).

For the CERTCOST should further explore the potential of Internal Control Systems as an alternative way to ensure compliance with organic standards for smallholder producer groups in Europe. This is especially relevant for groups with a relatively simple production focus and joint marketing of one simple product, e.g. apple juice manufacturer with 100 supplying regional smallholder farms, or olive oil milling with many suppliers.

Certification of grower groups based on an ICS already takes place, but due to the requirements of the Regulation (EC) 834/2007 all operators are still externally visited. But on the basis of an ICS or joint group quality documentation system these individual farm controls then tend to be shorter and more spot-check oriented, or sometimes more junior inspectors are employed while a senior inspector mainly checks the implementation of the overall Internal Control System.

6.3 Participatory Guarantee Systems (PGS)

Participatory guarantee systems may also be a viable alternative to third party certification where producers target local markets and sell directly to the consumers.

As the number of farmers and consumers for organic produce increase, so has the number of Participatory Guarantee Systems (PGS) that have evolved and are working around the world. These systems often not only guarantee the credibility of the organic produce, but are crucially linked to local and alternative marketing approaches. Though they might vary in their methodology and approach, the belief in the same core principles brings them together on a common platform.

IFOAM defines Participatory Guarantee Systems (PGS) as locally focused quality assurance systems that certify producers based on active participation of stakeholders and are built on a foundation of trust, social networks and knowledge exchange. Key features of a PGS (IFOAM) are:

- Norms conceived by the stakeholders through a democratic and participatory process, but always in accordance with the commonly understood sense of what constitutes an organic product. The norms should stimulate creativity, which is a characteristic of organic farmers, instead of inhibiting it.
- Grassroots organization: The Participatory Certification should be perceived as a result of a social dynamic, based on an active organization of all stakeholders.

PGS systems are appropriate to smallholder agriculture, because the participatory nature and horizontal structure of the programs allow for more appropriate and less costly mechanisms of certification. PGS systems also highlight and thus encourage consumers to seek out products from smallholders.

There should be documented management systems and procedures, documenting the farmers' organic commitment and integrity even if this requires only minimal amount of paperwork from farmer. And farmers should have a bottom-line document, for example a farmer's pledge stating his/her agreement with the established norms.

The established norms and other activities of the organization should stimulate participation allowing a learning process of all stakeholders. Activities, such as field advisors, newsletters, farm visits or web sites should support farmers to produce organic products and be certified as organic farmers.

PGS should have mechanisms in place to verify farmer compliance and the consequences if farmers do not comply with the norm standards should be predefined. Actions taken should be recorded in a data base or made public in some way. Seals or labels should provide clear evidence of organic status.

There is a diversity of schemes and methodologies in the participatory certification worldwide, notably the Community-Supported Agricultural Scheme (CSA) in the United States, the Taikei System in Japan, Keystone in India, and the Ecovida Network in Brazil.

6.4 Concluding remarks

Both PGS and ICS are based to some extent on social control mechanisms of the group members amongst themselves. The main objective of PGS at present is to provide a trust system for direct marketing of organic produce to local consumers. The guarantee system is usually bottom up, participatory led and managed by the farmers themselves who feel responsible for the quality they deliver as a group or individually. PGS alone does not authorize a group to sell products as certified organic into organic trade chains. However, there is anecdotal evidence that PGS work very well in terms of effective quality control and it may be an option to also develop external evaluation procedures and minimum requirements to allow external certification based on a PGS instead of an ICS.

In contrast, many ICS are top down control, run by a central unit in a cooperative or by an exporter sourcing from smallholder farmers. In good groups a similar dynamic of farmers taking responsibility of the ICS can be observed, and farmers can be internal inspectors in different communities than their home village. The main difference between the two systems is that in the ICS approach there is still an external full control of the group which focuses on evaluation of the ICS efficiency. Based on this external control of the group with ICS, a normal organic certificate according to EU regulation can be issued by the certifier. The group is hence authorized to sell to traders in the EU and other countries under the provision of the EU organic Regulation. However, ICS certification does not enable the individual farmer to sell his or her product as organic, only the group.

An FAO study compared the costs of certification of the Internal Control based group System (ICS) and Participatory Guarantee System (PGS) by differentiating between direct costs (such as costs of inspection visit and preparation thereof) and indirect certification costs (costs related to organic management in general). The ICS schemes were found to have the lowest direct costs, but the conclusions illustrate that allocating costs into these categories can be problematic. In general terms certification costs tend to be lower when the players in the organic value chain are well coordinated and vertically integrated or linked, due to lower transaction costs, irrespective of the certification model adopted. Certification costs at the farm level also imply that farm management changes are considered, because farmers need to develop the skills for managing organic technology as well as preparing for certification (Santacoloma, 2007).

It is not evident on objective grounds why group certification based on a Internal Quality Management system should be restricted to smallholder producer groups in developing countries and not be permitted in Europe for production units of small farms delivering the same product to a central unit, either as a cooperative of contracted growers of e.g. an oil mill or juice manufacturer.

Both models ICS and PGS could represent ways to minimize certification costs for farmers also in Europe, especially for producers who market directly to consumers. This would be comparable to e.g. the USDA's requirements that "a production or handling operation that has \$5,000 or less in gross annual income from organic sales is exempt from certification. This exemption is primarily designed for those producers who market their product directly to consumers" (USDA, 2002, Sub-part B, Applicability: Exempt & excluded operations).

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The Common Requirements for the Certification of Producer Groups of ISEAL illustrate that organic certification could also be developed in the direction of a quality management system approach analogous to ISO Standards (e.g. ISO 22000 on food safety management systems) with a particular emphasis on setting objectives that will drive the companies efforts to improve food safety. This alternative certification approach will be further discussed and analysed in a report of CERTCOST, together with other certification schemes with novel approaches to quality assurance.

7 LESSONS FROM EU FOOD QUALITY LABELS AND GEOGRAPHICAL INDICATIONS

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Geographical indications and typical specialities form together with organic food the three main areas of existing regulated voluntary food quality schemes of the European Union. The main aim of this section is to introduce geographical indications, draw lessons for organic certification in terms of certification procedures from such schemes, and explore the potential for combination with organic certification.

7.1 Geographical Indications: an emerging global trend

A geographical Indication (GI) legally identifies and formally recognizes food products as originating from a specified territory or region, whereby the noted quality, reputation or other characteristic of the product are essentially attributable to its geographical origin and/or the human or natural factors there. Geographical indications are recognized as a unique expression of local agro-ecological and cultural characteristics and are valued as signals of high quality and local tradition in more than a hundred nations (Giovannucci, 2008).

Geographical Indications (GIs) or appellations such as Parmigiano cheese, Bordeaux wine, Idaho potatoes, Basmati rice, and Darjeeling Tea give a potentially unique form of competitive advantage, even for small farmers and enterprises (Giovanucci, 2005). They can foster market-based support for local traditions and cultures and they provide an excellent framework for broad-based and equitable rural development at

the regional level. Viable geographical indications are essentially building a legally protected brand and a reputation in the marketplace. In summary:

- Geographical indications are in alignment with emerging trade demands for quality, traceability, and food safety and typically apply standards
 - They tend to be traceable due to their uniqueness
 - They often implement appropriate processing technology

In these ways geographical indications can serve as conceptual frameworks to drive an integrated form of rural development. The institutional structures that are part of many successful geographical indications may be beneficial to local and regional governance as well as to organic certification management (Giovannucci, 2008).

The reform of the Common Agricultural Policy in 1992 saw a shift in policy from quantity to quality food production. In 1992 the EU created systems known as PDO (Protected Designation of Origin), PGI (Protected Geographical Indication) and TSG (Traditional Speciality Guaranteed) to promote and protect valuable food names. Three EU regulations relating provenance and labelling were adopted in 1991 and 1992 and are the cornerstones of EU agriculture and food quality policy (Becker and Staus, 2008).

With these regulations the EU gives positive assistance to European producers to help them to maximise advantage when a product acquires a reputation that extends beyond its production region. The regulations help to protect producers against unfair competition from other products that pass themselves off as genuine from a certain region and which discourage producers and mislead consumers. In March 2006 these systems were updated and improved (EC-AGRI, 2007). Typical products and geographical indications are linked not only to the skills of a group of firms, but also to locally created public goods and with the history, habits and culture of the local community. The support given to geographical indications is seen as a useful tool to preserve local culture and traditions, and to foster development in rural areas, especially in disadvantaged and mountain areas which have a lack of viable alternatives (Marescotti, 2003). The products that are protected by these regulations have become part of a unique market and provide a valuable marketing tool.

In 2009, the number of PDO, PGI and TPI in Europe increased by 50 products. In the lead is Italy with 19 new registrations, followed by France and Spain, with six new products respectively recorded. Overall Italy, with its 194 certified product specifications, is the country with the most certified GI products (21%), followed by France (19%) and Spain (14%).

Several recent registrations relate to crop products (fruit, vegetables and cereals, 12 new registrations) and more schemes fall into the PGI (11 registrations) rather than PDO category (8 new products). Value analysis for 2008 shows, certified products are important economically, with 1,840 million tonnes of product, 5.3 € millions of turnover for raw materials and 9.8 € millions of retail sales value. In total 98,200 producers and companies are involved. Manufactured products, such as cheeses and cured meat have the highest value in terms of turnover, despite recent growth the fresh produce (Anon, 2010).

7.2 Council Regulation (EC) 510/2006 on Geographical Indications

Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs clarifies and simplifies the rules about geographical indications and designations of origin of agricultural products and foodstuff. This regulation replaces Council Regulation No (EEC) 2081/92 from the 14 July 1992. Official Journal of the European Union, L93 (31.3.2006), p.12-25

The principle aim of the Regulation (EC) 510/2006 (and the former 2081/92) is to protect the productive system that is determinant to the quality and to the success of a product; to indicate its origin and the adopted method of production.

For products of Protected Denomination of Origin (PDO) the denomination refers to the name of a region, of a specific place, or (in exceptional cases) of a country used to identify an agricultural product or foodstuff. The label can be used by products that originate from this specific place or country, possess the qualities essential to the product (including natural and human factors) and which are processed in the defined geographical area.

A Protected Geographical Indication (PGI) also refers to products that are identified using the name of a geographical area (a region, a specific place or in exceptional cases a country). The product has to originate in that geographical area to which quality characteristics are essentially or exclusively attributed and production and/or processing and elaboration also take place in that specific zone.

The geographical link is deeper for PDOs than for PGI. Only the former also have to be processed in the respective geographical area.

The EU envisages that applications for quality designations are made by groups of producers who define their quality requirements. The new European regulations facilitate the procedure for the recognition of the indication of origin, shortening time of opposition and improve coordination between national and European institutions. Such a change in procedure has been necessary due to the volume of applications for registration received by the EC and to the heavy delays in registration verification in recent years.

Main modifications introduced by the new regulation concern the submission of the applications for registration. Applications can be made through the delivery of a single document that sets out the main elements of the specification, such as denomination and description of the product, regulations for labelling, and specifies the geographical area to which the specification applies. The opportunity to submit a standardised application is aimed at ensuring equal treatment of requests. The Regulation requires that the application is sent to the Member State (Art. 5 (4) of Regulation (EC) 510/2006) which will verify the compliance. The member state has to set up a procedure that guarantees a proper publication of applications allowing interested parties to raise objections to the application. This procedure of opposition represents one of the most relevant innovations compared with the previous regulation.

When the request is acceptable and meets the requirements of the regulation the national authority grants temporary protection at national level and submits the request to the Commission for registration. National protection ends as soon as a decision on registration has been taken by the Commission. The Commission also examines the request and assesses again whether it meets the requirements of the relevant regulations. If approved, the registration and the specification are published in the Official Journal of the European Union.

7.3 Council Regulation (EC) No 509/2006 on Traditional Specialities

Council Regulation (EC) No 509/2006 of 20 March 2006 on agricultural products and foodstuffs as traditional specialities guaranteed is dedicated to TSG (Traditional Speciality Guaranteed). This regulation replaces Council Regulation (EEC) No 2082/92 of 14 July 1992 on certificates of specific character for agricultural products and foodstuffs. *Official Journal of the European Union* L93 (31.3.2006), p. 01-11

In this regulation a “Traditional Speciality Guaranteed” is defined as an agricultural or food production whose specificity is recognised by the Community and registered.

The regulation defines the following terms:

Specificity: element or set of elements which clearly distinguish an agricultural or food product from other similar products or foodstuffs belonging to the same category

Traditional: in use on the community market for a proven period of time denoting a change of generation (25 years or more).

The applications procedure is similar to that for Geographical Indications.

7.4 Certification requirements for Geographical Indications

Regulations (EC) 509/06 and (EC) 510/06 are less detailed concerning control and certification issues than the organic regulation but contain two important similarities:

- Control bodies that inspect PGI/PDO and TPS are also regulated by (EC) Regulation 882/2004 (OFFC).
- It becomes mandatory for Control Bodies to be EN 45011 accredited from the 1st May 2010.

In summary, the control system according to Regulation (EC) 510/06 sets out the following requirements: the European Commission has to make public the name and address of the competent authorities of member states, of control bodies and approvals of and changes to product specifications and update this information periodically.

Member states have to set up competent public authorities in conformity with Regulation (EC) No 882/2004. These are responsible for the correct application, and undertake control or delegate them to recognized private control bodies operating product certification. Rather than providing further details for the control system the

regulations refer to the Regulation (EC) 882/2004 (OFFC, see Chapter 4). Member states also have to ensure that any operator complying with the regulations is entitled to be covered by a system of official controls. Costs of verification of compliance with the specifications shall be borne by the operators subject to the controls.

7.5 Communication of geographical indications to the consumer

Another element aimed at strengthening the geographical indications and typical products is the obligation to label the indication. Since May 2009 all the certified GI products have to carry the official European indication of the denomination (i.e. PDO, PGI, TPO in any of the EU languages) with related guarantee reference (i.e. *in Italy Parmigiano Reggiano Protected Denomination of Origin (or PDO) garantito dal Ministero Politiche Agricole e Forestali*) or carry the related EU logos. The official denomination is owned by the public. The selected certification body is in charge of controlling its proper use and authorising the producers to print appropriate labels.

For example, the Italian Ministry has required that the geographical indication label only carry the words “Guaranteed by Ministry of Agriculture and Forestry” but no direct reference to control bodies. This is different from the organic regulation that requires the control body to be identified on the label.

7.6 Lessons from GI certification for organic agriculture based on experiences in Italy

The EU Regulation 834/2007 has introduced an indication of origin of raw materials in addition to the new organic logo, but a country of production can only be identified if more than 98% of the raw materials come from the country and the identification of individual regions is not envisaged. Organic certification on its own may not offer the most appropriate way of safeguarding the actual provenance of organic food and for conveying this to consumers in the marketplace. Geographical indications could be a valuable asset for organic producers and marketers because they are in alignment with the ideas of organic agriculture and would complement them (Giovanucci, 2007).

Italy is the EU member state with the highest number of product registrations and also has a number of registrations focussing on organic production. Experiences point to the following issues that are relevant to further development of organic certification and control systems.

Producer organisations play an important role in the certification of geographical indications. Producer and consumer associations were important in the historic development of organic agriculture (see Chapter 3). Several continue to be involved in standard setting and maintain their own private standards but they are no longer actively involved in organic certification.

Many of the Italian organic certification bodies are also active in certification of geographical indications, often for the small schemes (in terms of number of operator and relevance on the market) of fresh products such as fruits and vegetables, cereals and legumes but also processed products such as olive oil, wine and bread. Where a large number of organic operators are involved in a PGI or PDO scheme there would

be potential for synergy between the two certification processes, but different public authorities responsible for both schemes are setting barriers to the use of common forms and procedures and are tending towards complete separation.

The Italian Agricultural Ministry is the competent authority for both organic farming and for GIs, but responsibilities lie in different departments. These appear to have different views regarding the delegation of powers of approval and supervision to the national accreditation body.

Compared to the organic control system, the control systems under the PDO/PGI regulation is far less uniform, since it has to be applicable to the specific characteristics of different regional products and their specifications and differences in application between different countries. The system includes the possibility for specific control plans which are very detailed and calibrated to the level of risk in the supply chain. For example, plans may set out that 100% of operators have to be controlled at admittance. Subsequently, just over a third of operators have to be controlled each year, guarantee that each operator is controlled more than once in a three year period of reference.

Most geographical product systems in Italy include some organic operators and there appears very few (if any) contradictions between these and the requirements of organic standards, reducing technical barriers for admittance in both schemes. GI specifications focus on the authenticity of the product. Most specifications do not forbid the use of GMOs yet, but this does not present an obstacle to organic producers to be certified according to the requirements of both schemes. It would, however, prohibit the GI standard as such to be recognised as organic. Some are particularly oriented towards organic production, even though being organic is not a prerequisite of the specification, e.g. Sorana bean, Castelluccio lentil, and Mugello chestnut.

From the Italian experience with the certification of PDO/PGI systems geographical indications, the following ideas for improvement of organic certification can be suggested:

- Geographical Indications certification makes reference to the certified operators' internal control systems, in particular when operators are members of an organisation. Following a similar approach in organic inspections could lead to a control regime of the CB with less than one visit per year to all operators (sample inspections). This could also lead to a reduction of certification costs and provide better access to certification for small holder operators.
- Geographical indications have a specific control plan related to the specifications of the product, which includes detailed requirements and how they are controlled. Such a control plan sets out clearly the consequences for nonconformities. This is similar to other private quality assurance schemes such as GlobalGAP. Within the EU regulatory frame of geographical indications, the control plan and penalties/sanctions are validated beforehand by the designated Competent Authority. This could also be useful with organic certification where the product standard may be created for specific organic supply chains.
- PDO/PGI control systems include operators in associative bodies (consortium/associations) that are performing general and specific surveillance

and control activities that complement the activities of the CBs and public authorities. Although the organic sector has many producer and several consumer associations and many of them were fundamental for the early development of the sector, they have no direct relationship to and not formal role in the public control and certification system for organic agriculture. A similar model of a formal involvement of the organic sector associations in the general surveillance of organic control bodies could be considered.

8 CHALLENGES FOR ORGANIC CONTROL SYSTEMS AND IDEAS FOR IMPROVEMENT

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The final chapter provides an overview of present problems, future challenges and ideas to improve organic certification based on a review of the regulatory systems, international initiatives aimed at harmonisation of standard setting and certification, and some other certification systems. The aim of the review is to provide background and guidance for further research and the development of recommendations in the CERTCOST project.

Previous chapters have covered the general framework for food quality assurance including the future intentions of the EU in relation to food quality labelling, the historic development of organic standards and certification leading to the first European Regulation (EEC/2092/1991), the control regime under the new Council Regulation (EC) 834/2007 and related legal documents, international initiatives for harmonisation of organic standards and certification, group certification approaches and certification under European geographical indications labels. This chapter presents a summary of problems and challenges identified throughout this report leading to ideas for improvements of organic certification.

8.1 Problems and challenges for the organic control system

8.1.1. Cost and confusion through overlapping and competing schemes

Producing food of high quality is of key importance for the future development of the Common Agricultural Policy. A large number of mandatory requirements and voluntary assurance schemes exist. These can broadly be divided into basic compulsory regulations and standards aiming to ensure food safety, and voluntary schemes aimed at ensuring additional quality attributes and thus allowing producers to differentiate themselves in the market. Food quality assurance schemes have relevance to a range of actors: operators that produce and require a certificate for products and services, to standard owners that define rules of production, to control bodies that carry out controls and issues certificates (including the right to use certain labels), to authorities that oversee the control activities and finally to consumers who receive assurances about certain 'hidden' product attributes in the form of a certificate.

In the European Union, basic requirements are overseen by the Official Food and Feed Control System (OFFC), regulated by Regulation (EC) 882/2004 on official controls for food safety, animal health and animal welfare. Responsibility for this legislation and for overseeing the controls in the Commission lies with DG SANCO. Basic food safety requirements are also part of the control in some third party certification schemes (e.g. Global GAP).

The EU also has regulations for voluntary food quality schemes related to geographical indications (PGI and PDO), traditional specialities (TSG) and organic food and farming. Responsibility for these regulations in the Commission lies with DG AGRI. Controls are carried out by public and by approved private control bodies under the supervision of a competent authority. The requirements of OFFC also apply to the control systems and responsibility to oversee OFFC control activities lies with DG SANCO. This implies that responsibility for organic controls lies with both DGs.

In addition, there are a considerable number of private labelling schemes setting standards and certifying additional food quality requirements not covered by any regulation (such as fair trade or animal welfare schemes).

The European Commission is considering extending its current food labelling initiatives. In Jan 2010, the scope of the European ECO label (the 'EU flower') was extended to cover food products. Any further initiatives setting out practical implications of extending this scheme to food products depend on a feasibility study that is to be commissioned by DG ENV. The European Commission is also considering different options to achieve better labelling of animal welfare friendly products. The overall aim is to make it easier for consumers to identify and choose such products, and thereby give an economic incentive to producers to improve the welfare of animals. The report on the feasibility of introducing welfare labelling quoted organic farming as a good example of welfare labelling but concluded that as yet no harmonised, recognised and reliable measuring instrument for comprehensively

assessing animal welfare across species, farming systems and supply chain stages is available (EC-SANCO, 2009).

Producers (including organic producers) are faced with many certification schemes to gain access to certain markets. This can cause considerable additional costs. Some organic control bodies offer certification also for other mandatory and voluntary schemes. Further information on this will be provided in the organic-rules database (www.organicrules.org) currently being developed by the CERTCOST project.

Consumers, on the other hand, are faced with a variety of labels and claims on food products, including several schemes that cover attributes also covered by organic standards. There seems to be a lack of trust in some of the messages arising from certification. Also consumers of organic food in Europe have limited understanding of organic systems and the guarantees that certification provides, with some notable exceptions (e.g. Denmark). For example, the new European regulatory framework will make it obligatory to carry the organic EU logo (in future the 'Euroleaf') and some indication of origin of raw materials of the product. Organic products may, however, also carry other geographic labels, such as PDO/PGI or TSG labels, or logos of national or regional schemes (e.g. produced in ...). It is likely that such schemes may have different requirements regarding place of product and origin of raw material than Regulation (EC) 834/2007. Questions of consumer knowledge of organic certification and standards and willingness to pay are the focus of research in WP3 of CERTCOST.

Confusion would also arise if the ECOLABEL scheme of DG ENV will be extended to food products that do not fulfil organic standards. This will be true especially in those countries where the term ecological is the most commonly used term for organic agriculture products and thus protected by the organic regulation. Similarly, a general animal welfare label with different requirements than organic rules could cause some confusion for consumers.

8.1.2. Ineffective harmonisation of surveillance and enforcement

Alongside the labels for geographical original and traditional specialities, organic food production is one of the voluntary quality schemes governed by a common regulatory framework in the EU. In those schemes the public and private sector are involved in certification. The main EU organic regulation covers labelling, production, processing and imports as well as the setting up of a suitable control/inspection system with a competent authority and approved private and/or public control bodies and authorities. In most Member States organic certification by an approved control body is also a requirement to receive grants under the organic farming schemes as part of the land management axis of the rural development programme.

Material reviewed in previous chapters identified lack of coherence across the whole organic certification systems, ranging from the inspection of operator over the inspector and control body to the competent authority. In particular the following problems were noted in Chapters 3-5:

- Lack of consistency and transparency in the application of the regulatory framework in relation to how competent authorities approve and supervise control bodies and enforce the organic regulation

- Lack of clarity on the impact of the OFFC regulation on the organic control system
- Competition among organic control bodies for clients leading to disincentives to maintain the rigour of the inspection systems to maintain clients
- Lack of harmonised procedures on how to deal with irregularities and infringements as well as penalties and follow up procedures
- Lack of risk orientation in control planning and inspection visits, and in applying instruments related to the two main risks of fraud arising from farmers using non-approved inputs and related to companies who buy conventional products and sell them as organic
- Lack of co-ordination between different actors in the control systems

The material referred to the control systems under (EC) 2092/1991 and provisions related to the control system have changed with the total revision of the European Regulation. However, the new organic Regulations (EC/834/2008 and implementing rules) have only been in force since 1 January 2009, provisions about the labelling will apply only from 1 July 2010; further implementing rules still to be developed. Hence there is only limited experience to assess whether the new system has brought improvement. However, the reference to Regulation (EC) 882/2004 and variations in the implementation of OFFC between Member States may have introduced a new source of variability regarding the authorisation and supervision of control bodies.

8.2 Suggestions for improvement of organic certification

Rules on food are designed to protect us from harm or fraud (van der Meulen and van der Velde, 2008) and the general food rules also apply to organic products. The main emphasis of the organic control system is to prevent fraud rather than preventing harm arising from food safety problems. Fraud in the organic sector occurs mainly in relation to operators using non-approved inputs (ignorance of rules or intentional) and when companies intentionally buy conventional product and sell them as organic (see Section 5.5).

In the following paragraphs two main ideas for further development of the organic certification systems are briefly explored. Both ideas build on the general observation from the Anti Fraud Initiative that the organic sector already has too many rules and that adding more rules is not likely to lead to improvements. Any change to the organic control systems has to strike the right balance between the effectiveness and efficiency of control, the expectations of the food producing business and meeting consumer expectations. The level of control also has cost implications. Zorn et al. (2009) argue that in the organic sector supervision and enforcement costs add up to considerable costs and - unlike in many other systems - market access depends on *ex-ante* control. The first suggestion for improvement relates to the various observations of a lack of harmonisation of the organic control systems that were highlighted throughout the report. It argues that further improvement of the system could be made through improved supervision and enforcement of the control systems.

This would lead to greater prevention of both intentional and unintentional types of fraud and might reduce the control costs.

The second idea explores whether the organic operator's own responsibility for organic quality and integrity can be strengthened by introducing a development element to organic certification that can be found in some other food control schemes, such as HACCP and also in alternative guarantee systems and geographical indications in Chapters 6. This could address the first type of fraud whereby organic operators use non-permitted inputs because they do not know the rules.

8.3 Harmonise requirements for the surveillance of organic control bodies

A more consistent and effective implementation of the existing regulation, greater transparency and better communication among the different parties could make an effective contribution to combat fraud (Anon, 2009).

While the current system aims at preventing and detecting irregularities – either unintended or deliberate – it does not provide much incentive for the parties involved to detect fraud cases. The detection of infringements requires significant additional work for traders, certification bodies and authorities (such as preservation of evidence, extra inspections, extra communication and reports, de-certification of product lots). This implies additional costs and may even cause a bad public reputation, because the media reports on fraud cases usually question the effectiveness of the control system. Inspection measures that are likely to increase the effectiveness of the control system (e.g. unannounced inspections, residue analysis) are expensive. It is therefore important that the surveillance of certification bodies creates a level playing field between control bodies and reduces incentives to compete for clients on the basis of a less rigorous system.

Attention should also be paid to further harmonisation in the approval and surveillance of control bodies. The EU Regulation still provides leeway for interpretation of the production rules and minimum control requirement. There is for example no common catalogue of non-compliances and sanctions and penalties or for assessing the competency of personnel. National guidelines to some extent define these requirements further. Some require the use of costly control measures and tools which increase the effectiveness of the system, e.g. additional unannounced inspections or residue analysis. Other tools that could be used are crosschecks of product flow, input- output calculations as well as communication among CB's. To ensure a level playing field within the Member States and even more so between the Member States it is important to harmonize such interpretations and additional requirements.

The CERTCOST project will further investigate some aspects of risk orientation through the analysis of control body data. Risk orientation should not only be strengthened on the level of operator control and this needs to be monitored at the level of surveillance of the control bodies. For this it is necessary to develop adequate tools for monitoring the effectiveness of the applied system, such as tools to assess the quality and effectiveness of the risk assessment and risk oriented controls. An in-depth analysis of the annual reports of certification bodies on the

controlled operators, detected irregularities and applied sanctions could provide indicators for assessment of the effectiveness of the control system. However, such as assessment of the effectiveness of a risk-oriented control system is very demanding for the personnel auditing the certification bodies. This implies that the question of qualification and experience is also of relevance in relation to supervising personnel.

Although recent changes in the EU Regulation further stress the need for communication among certification bodies and authorities in case of suspicion or detection of fraud, there are as yet only few tools to allow for exchange of information at EU level. DG SANCO carried out a number of surveillance missions into several member states which are summarised in a Report by the European Court of Auditors (Anon 2005). The reports revealed severe variations in the implementation of the regulation. Since then, only very limited information about the implementation in the Member States is available at EU level.

A first important step would be to increase transparency by making national rules and guidelines available in English to interested parties and thus initiate a process of future harmonization at EU level. Furthermore platforms either electronically or in person allowing the authorities and control bodies to exchange information on a regular basis could be established. An organic rapid alert system would allow better addressing of irregularities by making relevant information accessible to all potentially affected parties. The follow-up of irregularities can be improved by elaborating harmonized guidelines for notification and following up suspicion of fraud. And finally an improved reporting system providing clear guidelines for compiling the data with reports made available to interested parties could contribute to a more transparent system which allows for a continuous quality improvement.

8.4 Strengthen operator's responsibility for improvement of organic system

The regulatory framework for organic food makes clear that it is in the first instance the responsibility of the organic operator to ensure that production practises of the unit comply with the rules. This corresponds to the general food law of the European Union that defines a food business operator as the person responsible for ensuring that the requirements of the food law are met (Article3 (2/3) of EC/178/2002).

The main purpose of the control systems is to verify and certify compliance by comparing the production with auditable statements based on the production rules. The systems thereby operate largely at the level of fail criteria (such as failing an exam) relating to input use (e.g. prohibition of the use of synthetic nitrogen fertilisers) and the prohibition of specific production practices (e.g. battery cages for hens, tethering of cattle, mutilations) which are verified at control. If an operator falls below certain minimal standards, certain penalties and sanctions apply. Different levels of non-compliance attract different levels of penalties and sanctions. Cases of severe fraud lead to legal action against the operator although cases where operators have been taken to court by their control body are very much the exception rather than the rule.

The intention of the organic regulation and of the private organic standards is not only that operators follow minimal rules, but that they continuously develop their systems. This responsibility of the organic operators to improve and develop their operation is expressed in the objectives and principles of the Regulation (EC) 834/2007 which requires “*managements systems that enhance the health of soil, water, plants and animals, respect high animal welfare and are aimed at producing products of high quality*” (Art 3a &b of EC/834/2007). The concept of improvement is also reflected in the principles of farming (Article 5), for example the “*maintenance and enhancement of soil life and soil fertility*” (Article 5a) or the “*observance of high animal welfare according to species specific needs*” (Article 5h). The same concept applies to organic processed products that should “*be produced in such a way that organic integrity and vital qualities of the product are maintained*” (Recital 19, EC/834/2007).

The minimum certification requirements and rules for different types of operators in the EU Regulations do not emphasise the improvement aspects in line with objectives and principles.

A considerable number of organic operators and control bodies in Europe voluntarily aim to improve the performance of organic farms in relation to certain areas, i.e. in relation to some OrganicPlus attributes going beyond the minimal requirements of EU organic regulations. Such activities can mainly be found in relation to environmental impact, animal welfare, regional production and fairness but also other aspects of the production system. Some but not all producers aim for a more formal certification offered by a range of control bodies, others especially in shorter supply chains rely on communicating their activities by word of mouth to their customers (see for example Padel and Gössinger, 2008).

Including these areas as part of the minimal requirements (fail criteria) of certification is very difficult. It would require that reliable indicators of specific outcomes or certifiable practices are defined, but it is not easy for some areas covered by organic objectives and principles. For example, a report for DG SANCO on animal welfare labelling concluded that the absence of a harmonised, recognised and reliable measuring instrument for comprehensively assessing animal welfare across species, farming systems and supply chain stages represents a major obstacle for the introduction of any common animal welfare labelling system (EC-SANCO, 2009). Similar problems would apply to reliably measuring outcomes related to bio-diversity or rural development across diverse operators, as illustrated by the body of literature on sustainability assessment of agriculture.

The question therefore is whether the improvement of organic operators in line with objectives and principles of the organic regulation can be achieved in a different way. Van Beuningen and Knorringa (2009) differentiate between minimum requirement versus improvement or progress standards. Progress standards require management skills and training capacity to improve the management of an operation. One example of a progress or improvement standards is the HACCP methodology for priority setting and risk reduction in relation to food safety. The HACCP principle of preventing problems through adopting better food hygiene is based on experience from the space programme that testing alone does not provide sufficient certainty that food products for astronauts are safe. HACCP implies that critical control points are identified and that procedures dealing with the risks are developed. Similarly,

provisions in the ISO norms related to food safety (ISO 2200) place a particular emphasis on setting objectives that will drive operators to improve their practices. The project organic HACCP applied the idea of HACCP to some areas considered to present some food safety risks in the organic sector organic sector¹⁴.

A similar improvement approach is used in the group certification scheme based on internal control system (ICS) reviewed in Chapter 6 and is referred to in relation to geographical indications certification of producers and their associations in Chapter 7. Apart from certification, the rationale of ICS places emphasis on implementing and maintaining a high quality assurance system for organic standards in smallholder production. Therefore, certification based on Internal Control Systems may not only be a potential new way to ensure compliance with organic standards for smallholder producer groups in Europe, but also one way to integrate a developmental perspective in the certification system. Italian experience with geographical indications indicates that this idea should be further explored.

So, the question arises whether the function of systems improvement can be strengthened in the European organic control and certification system. Individual operators could set developmental objectives in important areas (such as animal health, environmental impact) as part of their internal quality assurance system and present them to the control body during the control visit. These objectives would have to be formulated in such a way that their achievement (or failure to achieve) can be audited at the next visit. Similar ideas for improvement of organic operators through planning and agreed targets have been explored in the context of conversion planning (Schmid, 1987), in relation to environmental or animal welfare benchmarking (Lampkin et al., 2006) and most recently in relation to animal health planning (Vaarst and Roderick, 2009).

The tools of planning and benchmarking are relevant because the organic rules place the emphasis on preventive rather than curative action. For example the plant production rules required the use of a multi-annual crop rotation to maintain and enhance fertility (EC/834/2007 Art. 12b) and the rules in relation to animal health (EC/834/2007/Art 14) requires forward planning. Several private standards also contain requirements for conversion or for animal health plans.

Setting auditable objectives would be similar to the concept of SMART objectives that are widely used in business planning (Specific, Measurable, Achievable, Realistic and Time bound). A farmer could for example agree a target with his control body of improvements in the area of animal that is considered to be achieved if the number of cases of mortality has been halved in the next year. How achievement of the objective will be audited and what penalties apply in the case of failure has to be agreed. The main difference is that agreement how achievement is measured only needs to be reached between the operator and his/her control body representative. This reduces need for a widely recognised system on agreed indicators and thresholds for failure. Experience with animal health planning shows that it is very important that the operator sets the objectives and agrees to them. This illustrates the need to strengthening the responsibility of the operator for systems improvements also in the control systems. More work would be needed to develop suitable systems

¹⁴ <http://www.organichaccp.org/OrganicHACCP.asp>.

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that strengthen the owner's responsibility and build target for quality improvement in the control systems. Over time control bodies would build up more experience on how objectives in certain areas can be addressed. The CERTCOST project will return to this question in the context of a report on alternative control systems.

Regulations

- CAC-GL 32-1999** *Codex Alimentarius* Commission Guidelines (GL 32-1999) for the production, processing, labelling and marketing of organically produced foods. Joint FAO/WHO Food Standards Programme, Rome GL32- 1999, Rev. 1-2001, Rev. 1- 2004. Rome.
- EEC/2092/1991** Council Regulation (EEC) No 2092/1991 of 24 June 1991 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs. *Official Journal of the European Communities* L198(22.7.91): 1-15.
- EC/178/2002** Regulation (EC) No 178/2002 of the European Parliament and Council laying down general principles and requirements of food law, establishing the European Food Safety Authority (EFSA) and laying down procedures in matters of food safety. *Official Journal of the European Union*, L31 (1.2. 2002): 1-24.
- EC/882/2004** Regulation (EC) No 882/2004 of the European Parliament and of the Council of 29 April 2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules. *Official Journal of the European Union*, L165, (30.4.2004): 1-141.
- EC/509/2006** Council Regulation (EC) No 509/2006 of 20 March 2006 on agricultural products and foodstuffs as traditional specialities guaranteed is dedicated to TSG (Traditional Speciality Guaranteed). This regulation replaces Council Regulation (EEC) No 2082/92 of 14 July 1992 on certificates of specific character for agricultural products and foodstuffs. *Official Journal of the European Union*, L93 (31.3.2006): 01-11.
- EC/510/2006** Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs clarifies and simplifies the rules about geographical indications and designations of origin of agricultural products and foodstuff. This regulation replaces Council Regulation No (EEC) 2081/92 from the 14 July 1992. *Official Journal of the European Union*, L93 (31.3.2006): 12-25.
- EC/834/2007** Council Regulation (EC) No 834/2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91 *Official Journal of the European Union*, L189 (20.07.2007): 1-23.
- EC/765/2008** Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93, *Official Journal of the European Union*, L 218 (13.8.2008): 30-47.
- EC/889/2008** Commission Regulation (EC) No 889/2008 of 5 September 2008 laying down detailed rules for the implementation of Council Regulation (EC) No 834/2007 on organic production and labelling of organic products with regard to

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- EC/967/2008** Council Regulation (EC) No 967/2008 amending Regulation (EC) No 834/2007 on organic production and labelling of organic products as regards the entering into force of the mandatory use of the new EU organic logo. *Official Journal of the European Union*, L 264 (03.10.2008): 1-2.
- EC/1235/2008** Commission Regulation (EC) No 1235/2008 of 8 December 2008 laying down detailed rules for implementation of Council Regulation (EC) No 834/2007 as regards the arrangements for imports of organic products from third countries. *Official Journal of the European Union*, L 334 (12.12.2008): 25-52.
- EC/537/2009** Commission Regulation (EC) No 537/2009 of 19 June 2009 amending Regulation (EC) No 1235/2008, as regards the list of third countries from which certain agricultural products obtained by organic production must originate to be marketed within the Community. *Official Journal of the European Union*, L 159 (20.06.2009): 6-9.
- EC/710/2009** Commission Regulation (EC) No 710/2009 of 5 August 2009 amending Regulation (EC) No 889/2008 laying down detailed rules for the implementation of Council Regulation (EC) No 834/2007, as regards laying down detailed rules on organic aquaculture animal and seaweed production. *Official Journal of the European Union*, L 204 (06.08.2009): 5-34.
- EC/66/2010** Regulation (EC) No 66/2010 of the European Parliament and of the Council of 25 November 2009 on the EU ECOLABEL. *Official Journal of the European Union*, L 27 (30.01.2010), 1-2.
- EU/271/2010** Commission Regulation (EU) No 271/2010 of 24 March 2010 amending Regulation (EC) No 889/2008 laying down detailed rules for the implementation of Council Regulation (EC) No 834/2007, as regards the organic production logo of the European Union. *Official Journal of the European Union*, L 84 (31.3.2010): 19-22.
- ISO/IEC 65/EN 45011** Guide on general requirements for bodies operating product certification systems published by the European Union as Standard EN 45011 in the C series of the Official Journal in 1998 (referred to in Article 27, 5 (c) of Regulation 834/2007).

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