CERTCOST
economic analysis of certification systems in organic food and farming

ORGANIC CERTIFICATION IN SELECTED EUROPEAN COUNTRIES:

CONTROL FEES AND SIZE OF THE SECTOR

DELIVERABLE 8

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This report presents a survey of the organic certification sector in selected European countries as regards transparency in relation to public availability of fees for inspection and certification of organic operators and an estimate of the size of the organic certification sector in the EU in staff full time years and staff costs. The study is based on the www.organicrules.org database developed in the CERTCOST project and a detailed questionnaire study carried out in 5 EU countries (Czech Republic, Denmark, Germany, Italy and the United Kingdom) an associated country (Switzerland) and an EU candidate country (Turkey).

EXECUTIVE SUMMARY

In the increasing organic market in Europe, more and more of the organic food is sold via big retail chains. This development implies that an increasing trade with organic food takes place over long distances and across borders in Europe. Therefore, the control of organic products through the food chain “from farm to fork” has become increasingly important, because the organic inspection and certification system is the only guarantee to the consumer that the organic food products they buy really are organic.

At the European level quite a lot of research has been done on various aspects of organic farming and marketing of organic food products, but little is known about the organic certification system at EU level as regards efficiency, costs and size of the organic certification sector. As an outcome of the CERTCOST project, baseline information on the actors in the organic certification sector has been made available in the www.organicrules.org database for the study year 2008. The database contains statistic information, contact details and other relevant information on the actors involved in the organic certification chain (competent authorities, accreditation bodies, control authorities, control bodies, standards owners and authorities managing certification subsidies), and it covers 16 EU countries, 2 associated countries and an EU candidate country.

This study intends to shed some light on the European certification sector with respect to the fees for control (inspection and certification) of organic operators (as far as they are publicly available) and to make an estimate of the size of the certification sector in the EU and two other European countries (Switzerland and Turkey) in staff full time years and costs.

Data on publicly available fees for organic control plus public certification support measures influencing the actual control costs were collected by the CERTCOST partners from 19 European countries, for the certification database, www.organicrules.org. Afterwards a more detailed survey was carried out in 7 study countries (the Czech Republic, Denmark, Germany, Italy, the United Kingdom, Switzerland and Turkey) by means of detailed questionnaires, which were particularly aimed at the 4 types of actors involved in organic control (competent authorities, accreditation bodies, control authorities / control bodies and standards owners). The questionnaires were designed for collection of data for several tasks in the CERTCOST project, but relevant for this study were questions concerning control fees, hours spent on control and other costs related to the control (travel costs, overhead etc.). The questionnaire for the control bodies also contained questions concerning control fees for 3 farm cases and 2 processor cases in order to get comparable data on control fees and time spent on the control for different control bodies and countries. Besides, all actors were asked for information on the number of staff employed by them, measured in full time years, and the hours in a full time year for their organisation for estimation of the organic certification sector size.

Transparency and the possibility to compare control fees of different control bodies within countries as well as between countries are important for the organic operators (farmers, processors, importers etc.) and stakeholders, and it is particularly relevant in countries where there are many control bodies to choose among, as for example in Germany, Italy, the

United Kingdom and Turkey. It seems obvious that all control bodies offering their services to the organic operators should have a publicly available price list on their web site, as also stated in the requirements of ISO 65 (EN45011), according to which all approved control bodies are accredited. However, the percentage of control bodies in the 7 study countries, which did have public price lists on their web site, varied from 67 % in the Czech Republic, 50 % in Switzerland, 44 % in Italy and the United Kingdom, 20 % in Turkey, down to only 14 % in Germany. Denmark has a governmental certification system free of charge for all organic operators, for which reason there is no price list.

The questionnaire survey showed that the control fees were calculated in many different ways by different control bodies, making it very difficult for the customers to estimate and compare prices. As it was expected that it would be difficult to compare control fees of different control bodies, the questionnaire contained questions on fees and hours spent on the control for 3 farm cases and 2 processor cases. In total 25 control bodies supplied data on the farm cases, of which 2 from the Czech Republic, 3 from Germany, 5 from Italy, 4 from the United Kingdom, 2 from Switzerland and 9 from Turkey. The number of respondents who filled in data on the processor cases was slightly lower. Comparison of control bodies within countries showed that there was not necessarily any correlation between the size of the fee and the time spent on the control. For comparison of the fees, hours spent on the control and the hourly rate between the countries minimum, maximum and average fees were calculated for each of the 3 farm cases and 2 processor cases for each country. The comparison showed that the variation in the size of the fee, the hours spent and the hourly rate could vary as much as or even more between control bodies within the same country as between countries.

In general the Czech Republic had the lowest average fees – for the farm cases: 66-109 €, followed by Italy (262-375 €), Germany (350-420 €), United Kingdom (526-571 €), Turkey (544-798 €) and Switzerland (811-1003 €). For the processor cases the order of the countries as concerns fee size was the same. The main reason for the high control fees in Turkey is that the Turkish control bodies generally spent much more time on the inspection and certification (21-34 hours on average), than the control bodies in the other countries for the farm cases. The average time spent by the 4 EU countries was only 7-10 hours.

In 11 of 16 Länder in Germany and in 18 of 19 regions and 1 of 2 provinces of Italy the regional governments subsidise organic control costs of organic farmers. Hereby farmers may get their control fee reduced or even get the whole control fee paid back, depending on the control body they use. The 5 German Länder involved in the study pay a support of 35 €/ha up to maximum 15 ha or 530 €, which is enough to cover all or most of the control fee for the 3 farm cases depending on the control body carrying out the control. Of the 2 Italian regions involved in the study, Marche had no support scheme, while Tuscany paid the actual documented control cost up to 3000 € per farm and year for a 5 year period.

The study shows that the fee calculation of the control bodies is done in quite diverse ways. It also shows that in many cases the operators may save money by choosing the “right” control body, which however may change depending on the type and size of the farm or operation. For the sake of transparency it is recommended that the competent authorities and/or the accreditation bodies enforce on the control bodies that they must have easily accessible public price lists on their various services on their web sites.

The study should also give an estimate of the size of the organic certification sector in the EU (competent authorities, accreditation bodies, control authorities, control bodies and standards owners) expressed in staff full time years. Filled in questionnaires were received from 49 respondents of which 12 competent authorities, 5 accreditation bodies, 2 control authorities, 28 control bodies and 2 standards owners.

Based on the data received, it was estimated that about 1500 staff full time years were spent by competent authorities, accreditation bodies, control authorities and control bodies on organic control in the 27 EU countries in 2008. The figure may be higher, because the

workforce of the accreditation bodies, control bodies and standards owners involved in accreditation and control according to private standards and standards outside the EU were not included, and work spent on import and export control was not included either.

With 1500 employees the cost of the workforce of the organic certification sector was estimated to about 35-55 million €. Besides the staff wages, there are other fixed and variable costs plus overhead, which means that the annual turnover of the competent authorities, accreditation bodies, control authorities and control bodies in the EU-27 was probably at least around 70-110 million € in 2008. In Switzerland the 46 staff full time years in the organic certification sector corresponded to at least 2 million € in 2008, and the annual turnover of the organic certification sector was probably at least 4 million €. In Turkey the 35 staff full time years corresponded to at least 350,000 € in 2008, and the annual turnover of the organic certification chain was probably at least 700,000 €.

This study is the first study to include competent authorities, accreditation bodies, control authorities and control bodies in an estimation of the size of the organic certification sector. (Standards owners and some accreditation bodies were left out due to too few responses or lack of information in the returned questionnaires). Therefore this study gives a better basis for calculation of the sector size in the EU in staff full time years and workforce costs than the few earlier studies carried out, because those were based on indirect estimates, while this study is based on the actors' own assessment of staff full time years spent on implementation and control of the organic regulation EC 834/2007 in the 5 EU study countries and the national organic regulations in Switzerland and Turkey.

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List of abbreviations

AC	Accreditation body
CA	Competent authority
CAU	Control authority
CB	Control body
CH	Switzerland
DE	Germany
DK	Denmark
ECB	European Central Bank
EU-12	Member states which joined the EU in May 2004 (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia) + Bulgaria and Romania.
EU-15	Member states which joined the EU before 2004 (Austria, Belgium, Denmark, Finland, France, Italy, Germany, Greece, Ireland, Luxembourg, Netherlands, Portugal, Spain, Sweden and United Kingdom).
FCA	Federal competent authority
FTE	Full Time Equivalents
IT	Italy
RCA	Regional competent authority
SO	Standards owner
TR	Turkey
UK	United Kingdom
VAT	Value added tax

1 BACKGROUND

1.1 Introduction

The organic sector has become increasingly important in the EU over the last decades. Not only has the area increased to 7.6 million ha in 2008, corresponding to 4.3 % of the EU-27 utilised agricultural area (EC, 2010a). In recent years the consumer demand for organic food products has also increased impressively. In 2006/2007 the sale of organic food in the retail sector in the EU-15 member states reached 14.4 billion €. The average annual increase on the four largest EU markets for organic food (France, Germany, Italy and the United Kingdom) was 18.1 % for France (2005-2009), 14 % for Germany (2000-2008), 8.7% for Italy (2001-2009) and 11.9 % for the United Kingdom (2000-2008) (EC, 2010a). In Denmark, which probably had one of the highest growth rates in the organic food retail turnover in the world in 2008, the organic food turnover was 6.5 % of the total food retail turnover corresponding to 621 million € and a growth of 29 % compared to 2007 (Oekologisk Landsforening, 2009).

As the organic market increases and more and more organic food products are sold through big retail chains, an increasing trade with organic food products takes place over long distances and across borders in Europe. Therefore, the control of organic food products through the food chain from farm to fork has become increasingly important, because the organic certification system is the only guarantee to the consumer that the organic food products marketed are really organic.

At the European level quite a lot of research has been done on various aspects of organic farming and marketing of organic food products, but hardly any research has been done on the organic certification system at European or national level as regards the efficiency, costs and size of the organic certification system (Zorn et al., 2009). In fact, it is quite difficult on the national or EU level to get an overview of all the authorities and bodies involved in the certification chain. For stakeholders or users of the organic certification system it is even more difficult to get an overview of the control fees applied by different organic control authorities and control bodies at the national or EU level. Neither is there any information on the size of the organic certification sector in the EU, because so little information is publicly available, and the little information which can be found, is quite scattered.

This study intends to shed some light on the transparency of the European certification sector as regards publicly available fees for inspection and certification of organic operators and to make an estimate of the size of the certification sector in the EU and two other European countries (Switzerland and Turkey).

One source of information on the EU organic certification sector is the EU Commission, which publishes an annual list of the bodies or public authorities in charge of inspection provided for in Article 15 of Regulation (EEC) 2092/91 (EC, 2009), since 2010 according to Article 35 (b) of EC Reg. 834/2007 (EC, 2010b). This list contains information on the

certification system of the member states and contact details of the EU approved control authorities and control bodies in each member state.

The Commission also collects data on the organic control in each member state according to EC 834/2007 Article 27 paragraph 14, which states that *"by January each year the control authorities and control bodies shall transmit to the competent authorities a list of the operators which were subject to their controls on December 31 the previous year and a summary report of the control activities carried out during the previous year shall be provided [to the Commission] by 31 March each year"*. However, these reports are not public, but for 2005 to 2007 the Commission has published annual summary reports on the supervision of inspection bodies and authorities of the Member States according to Article 15 of Council Regulation (EEC) No 2092/91 on organic production on the Organic web site of DG Agri (EC 2010c).

Another source of information on the organic certification sector and the size of it is The Organic Standard (TOS), which has collected annual data from organic certification bodies around the world since 2005 for publication in the annual TOS Organic Certification Directory. Besides contact details, a number of data is presented for each certifier, i.e. annual turnover, number of employees, own organic standards, standards certified, countries of operation, number of operators, number of farms, number of full time and free lance employees, EU and ISO 65 approval and other approvals. However, far from all certification bodies have responded and very few of those, which have responded, have answered all the questions asked.

According to TOS (2008) there were 481 control bodies and control authorities world wide in 2008, of which 177 (37%) in Europe. Of the 177 European certification bodies 152 had an EU approval, 87 had an ISO65/EN45011 approval, 14 had an IFOAM approval, 32 had a US-NOP (USA National Organic Program) and 14 had a JAS (Japanese Organic Standard) approval. Most of the certification bodies were not transparent concerning their turnover. Of the 481 certifiers only 78 bodies supplied such data for 2008. In 2009 78 certification bodies out of 488 supplied data on their annual turnover of which many reported figures of 100.000-500.000 € (TOS, 2009). European certification bodies reporting an annual turnover of 2 million € or more in the TOS 2009 enquiry were Ecocert France, Bio.inspecta, ICEA, CCPB, Soulo e Salute, Ecocert International, Qualité France, DIO, Biohellas, Skal, and Debio. It was further estimated that the global annual turnover of organic certification would be clearly above 200 million € and perhaps even the double amount (400 million € would represent about 1 % of the estimated market value of organic products or less than 300 € per farmer) (TOS, 2009).

In an earlier study Rundgren (2001) estimated the financial costs for organic certification at the farm level to be about 3 % of business turnover and about 1 – 2 % of business turnover for the following steps of handling and processing of organic products, corresponding to around 1.5 % of the organic retail turnover. These results were based on a questionnaire investigation where responding certification bodies were asked to calculate the fees for 3 farm cases:

- A 6 ha horticultural farm with 3 ha intensive horticulture and 3 ha of land under grain, rice, pulses, hay or green manures. Perhaps a couple of sheep or goats for own consumption.
- A 30 ha dairy farm with fodder crops and pasture for 20 dairy cows and their offspring for replacement and slaughter.
- A grower group of 500 farmers with internal control and approximately 1 ha of coffee/cocoa each + x ha of crops for direct consumption or local sales and perhaps a couple of small animals for own consumption. Total inspection time is estimated to 12 days + reporting, 1 inspection per year.

In total 80 questionnaires were sent out to certification bodies worldwide, but only 18 (of which 6 from Europe) responded. The annual certification fee for the 6 ha horticulture farm varied from about 120-850 US$ (160-950 €[1]) and for the 30 ha dairy farm from about 380 – 1100 US$ (420-1230 €) for the 6 European certification bodies. Based on an estimated annual turnover of the two farm types of 20,000 US$ (22330 €) and an average certification fee of 530 US$ (590 €) for the horticulture farm and 672 US$ (750 €) for the dairy farm worldwide, the certification fee was calculated to correspond to around 2.7 % of the annual turnover for the horticulture farm case and 3.4 % of the annual turnover for the dairy farm case. Using these farm cases as an example Rundgren (2001) estimated the total certification fees for farms to be around 3 % and guessing that the certification fee for processors and handling is in the range of 1-2 % of the annual turnover. Using a figure of 20 billion US$ (22.3 billion €) for the global turnover of organic products at retail level and assuming that the global turnover of organic products at wholesale and processor level is 10 billion US$ (11.6 billion €) and 5 billion US$ (5.6 €) at farm level he uses the certification fees of 1-2 % and 3 % of the annual turnover respectively to estimate the total worldwide turnover in the organic certification industry to be around 300 million US$ (335 million €) i.e. 1.5 % of the global retail value .

Using the above mentioned 1.5 % for the turnover of the organic certification industry and an annual retail turnover of 14.6 billion € in 2006 for the European organic market Zorn et al. (2009) estimated the financial turnover of the European organic certification sector to more than 200 million € for 2006.

1.2 Objectives

The overall objective of the CERTCOST project is to provide research based recommendations to improve organic food certification systems in Europe in terms of efficiency, transparency, and cost effectiveness. This is likely to strengthen the competitiveness of the European organic food sector because it will reduce the incidence of non-compliance and thus increase consumers' trust.

To be able to analyse the organic certification systems in Europe in relation to transparency, efficiency and cost effectiveness it is necessary to have some baseline information on the organic certification systems and standard setting procedures within the EU and associated European countries (Switzerland and Turkey). These matters have been dealt with in the CERTCOST Report "The European Regulatory Framework and its Implementation in Influencing Organic Inspection and Certification Systems in the EU" (Padel, 2010). Besides, it is necessary to apply economic theory to the case of the organic food and certification chain and to define relevant terms regarding inspection, certification and economic concepts. This has been dealt with in the CERTCOST Report "Economic Concepts of Organic Certification" (Zorn et al., 2009).

Further baseline information on the actors in the certification chain for the year 2008 has been made available in the www.organicrules.org database with statistical information, contact details, number of operators certified and other relevant information on the certification chain actors of 16 European countries, 2 associated countries and an accession country.

One objective of this report is to supplement the information on fees in the www.organicrules.org database by giving an overview of the publicly available prices of

[1] *European Central Bank Statistical Data Warehouse Annual Average Reference Exchange rate 2001: USD/EUR: 0.8956*

certification for farmers, processors, wholesalers, retailers and importers in selected EU and associated countries (Czech Republic, Denmark, Germany, Italy, Switzerland, Turkey and the United Kingdom). Transparency and the possibility to compare certification fees are important for the organic operators (farmers, processors, importers etc.) and stakeholders, and it is particularly interesting in countries where there are many certification bodies to *choose among, e.g. Germany and Italy.*

*Another objective of this report is to present an estimate of the size of the certification sector (competent authorities, accreditation bodies, control authorities and control bodies) expres*sed in staff full time years, because at the moment there are no figures for the size of this sector in Europe.

1.3 Definition of terms

Table 1 lists definitions of terms used in the report based on the glossary of the CERTCOST Report "Economic Concepts of Organic Certification" by Zorn et al. (2009).

Table 1: Definition of Terms, partly based on Zorn et al., 2009

TERM	DEFINITION / DESCRIPTION
Accreditation	Procedure by which an authoritative body (this can either be a public or a private accreditation body) gives a formal recognition that a body is competent to provide inspection and certification services (International Task Force (ITF) 2007). In the European Union, organic control bodies have to be accredited to European Standard EN 45011 or ISO Guide 65.
Accreditation body	Public or private body that conducts accreditation
Audit	See Control
Certification	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 (Codex Alimentarius Commission 1995), is called certification.
Certification body	Body that conducts certification. See also "*Control body*".
Competent authority	Following the definition in the Council Regulation (EC) No 834/2007, the competent authority is the "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".

Control Synonyms: Inspection (NOP), Audit (FAO)	*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 (Dankers and Liu, 2003; International Task Force (ITF), 2007).* *Controls can be categorised into announced and unannounced controls. Furthermore, the following types of controls are differentiated (Rundgren, 2007):* • *An initial control is the first visit to an operator who is in the process of converting to organic. This first visit usually is more time-consuming than routine controls, since a lot of data has to be collected.* • *A routine or regular control is a physical inspection of an operator and usually is scheduled (announced) but can also occur as an unannounced inspection. The key aspects of an operation are examined during a routine control. This kind of control is usually performed once a year - also called an annual control.* • *A random or spot-check control is conducted primarily unannounced. Random controls shall be based on the risk of non-compliance with the organic standard, previous control results, the quantity of products concerned and the risk for exchange of products according to Commission Regulation (EC) No 889/2008, Article 65(4).* A follow-up control results from another precedent control. The reasons for a follow-up control are varied. Such a control has got the character of a sanction, if an operation was not perfectly prepared for certification during the routine control or the certification body has required the control of corrective actions, which should be implemented.
Control authority	Council Regulation (EC) No 834/2007, Article 2(o), defines the control authority as follows: "*public administrative organisation of a Member State to which the competent authority has conferred, in whole or in part, its competence for the inspection and certification in the field of organic production in accordance with the provisions set out under this Regulation; it shall also include, where appropriate, the corresponding authority of a third country or the corresponding authority operating in a third country*".
Control body	"Independent private third party carrying out inspection and certification" Council Regulation (EC) No 834/2007, Article 2(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 Council Regulation (EEC) 2092/91) nor 'certification body'. 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.

Control body (continued)	Where a certification body performs its own inspections, the certification body is both the inspection body (Dankers and Liu 2003)) and the certification body (organisation performing certifications; the certification body may use an existing standard or may set its own standard, based on an international and/or normative standard (Dankers and Liu 2003; International Task Force (ITF) 2007)). See also "Control authority" for public bodies that are in charge of inspection and certification.
EN45011	See "ISO 65".
EU-27	Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxemburg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.
EU-15	Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom.
EU-12	Bulgaria, Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia.
Full Time Equivalents (FTE)	Full-time equivalent employment, which equals the number of full-time equivalent jobs, is defined as total hours worked divided by the average annual number of hours worked in full-time jobs within the economic territory (ESA95 1996). FTE is similar to staff full time years.
Inspection	See "Control".
Inspection body	See "Control body".
ISO 65 (EN 45011)	ISO is the abbreviation for the International Organization of Standardization, a non-governmental organisation. The abbreviation ISO is derived from the Greek word "isos" (equal). ISO does not certify nor accredit, it only sets standards for sectors, quality management and conformity assessments systems. ISO Guide 65 on "*general requirements for bodies operating a product-certification system*" describes in general the requirements for documentation, quality management and internal review in a certification body. This guide is not specific for organic certification. The European and Japanese organic regulations refer to ISO 65 as compulsory for a control body. The European Norm (EN) 45011 is identical to ISO Guide 65 (Rundgren, 2007).

Operator	Operator means any person – natural or legal – who produces, prepares or imports, with a view to the subsequent marketing thereof, food products, or who markets such products (Codex Alimentarius Commission, 2007). The current EU organic regulation (Council Regulation (EC) No 834/2007, Article 2(d)) introduced a new, more precise definition for the operator being the "natural or legal persons responsible for ensuring that the requirements of this Regulation are met within the organic business under their control." The activities covered entail the production, preparation, storage, import and marketing (distribution) of organic products.
Private Standards owners	Private standards are 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 sometimes by certain certification bodies. Private organic standards are often stricter in some areas than Council Regulation (EC) No 834/2007 which has the function of a minimum organic quality standard.[2] Associations and companies can use private standards in order to differentiate their products from competitors and to enhance their relative market position. Private standards can become a de-facto-minimum quality standard, when their market significance is very high.
Processor	In the NOP, processing is defined as: "Cooking, baking, curing, heating, drying, mixing, grinding, churning, separating, extracting, slaughtering, cutting, fermenting, distilling, eviscerating, preserving, dehydrating, freezing, chilling, or otherwise manufacturing and includes the packaging, canning, jarring, or otherwise enclosing food in a container" (United States Department of Agriculture - Agricultural Marketing Service, 2000). The European food legislation, i.e. both the Regulation (EC) No 178/2002 on the general principles and requirements of food law and the Council Regulation (EC) No 834/2007, does not provide a definition of processing.
Other operators	Operators other than farmers or processors, e.g. importers, exporters, farm suppliers, wholesalers, packaging companies, distributors, retailers.

[2] The classification of Council Regulation (EC) No 834/2007 as minimum quality standard results from the requirement that every food product that is labelled "organic" has to comply with this regulation. Governmental organic standards in the European Union cannot be stricter than Council Regulation (EC) No 834/2007, while private organic standards can. In areas of farming or processing, where other standards do not specify stricter or any rules, Council Regulation (EC) No 834/2007 is directly effective.

2 OVERVIEW OF THE ORGANIC SECTOR AND CERTIFICATION SYSTEMS IN 7 COUNTRIES

2.1 Background information

2.1.1. Study countries

7 countries were selected for this study, and 5 of these are EU countries (the Czech Republic, Denmark, Germany, Italy and the United Kingdom). Germany, Italy and the United Kingdom were the 4th, 9th and 11th highest ranking countries in the world as regards the number of control bodies in 2008 (31, 16 and 10, respectively) (TOS, 2008). One country, Switzerland, is a European EFTA (European Free Trade Association) country associated with the EU, which means that the Swiss Organic Farming Ordinance follows the EU organic legislation and that the EU and Switzerland mutually recognise each other's organic certification schemes (Willer and Niggli, 2009). One country, Turkey, is an EU accession candidate country with considerable export of its organic food production to the EU market (Babadogan and Koc, 2004). Turkey has an Organic Farming Law (No. 5262 of 2004) which, after adoption of a By-law on Principals and Application of Organic Farming in 2005, is similar to the EU regulation on organic farming (EEC 2092/91) (Anonymous 2006). Turkey has requested to be included in the equivalency list of third countries for export of organic products to the EU (Anonymous, 2009).

Table 2 presents an overview of the most important statistical data from 2007-2008 on organic farming area and operators for the 7 selected countries. This includes information on total agricultural area, organic area, in conversion area and the organic area in percent of the total agricultural area. Data on total number of farmers, certified organic operators, organic farmers, other organic operators than farmers and organic farmers in percent of total farmers is also included. Switzerland has the highest percentage of organic area (11.2 %) and organic farmers (10 %) of all 7 countries, while the Czech Republic has the highest percentage of organic area (8 %) and Denmark has the highest percentage of organic farmers (6.2 %) within the selected EU countries.

Table 2: Statistic information on organic area and operators in the 7 study countries

Country	Unit	CZ	DE	DK	IT	UK	CH	TR
Country area[1]	km^2	78,866	356,854	43,094	301,263	244,820	41,290	783,562
Agricultural area[1]	ha	4,249,177	16,931,900	2,662,590	12,707,850	17,452,100	1,047,384	24,479,216
Certified organic + in conversion area[2]	ha	341,632	907,786	150,374	1,002,414	737,631	117,286	109,387
Certified organic area[3]	ha	232,939	-	139,021	812,139	582,205	-	-
Area in conversion to organic	ha	108,693	-	11,353	190,275	155,426	-	-
Agricultural area in % of country area[2]	%	54	47	62	42	71	25	31
Certified organic + in conversion area in % of agricultural area	**%**	**8.0**	**5.4**	**5.6**	**7.9**	**4.2**	**11.2**	**0.4**
Farmers (conventional + organic) [4]		39,396	370,480	44,620	1,679,440	299,830	60,857	3,076,649
Certified organic operators[5]		2,585	29,244	3,794	49,653	7,896	-	15,918
certified organic farmers[5]		1,946	19,813	2,751	42,037	5,177	6,111	15,406
Other organic operators than farmers[5]		639	9,431	1,043	7,616	2,719	-	512
Certified organic farmers in % of total farmers	**%**	**4.9**	**5.3**	**6.2**	**2.5**	**1.7**	**10.0**	**0.5**

1: 2007 data from www.organicrules.org database (no data were available for 2008).
2: 2008 data from www.organic-world.net, as of November 2010.
3: 2008 data from EUROSTAT: "Organic Crop Area", as of November 2010.
4: 2007 data from EUROSTAT: "Number of agricultural holdings", as of November 2010.
5: 2008 from CERTCOST Questionnaire investigation (see Section 3.1.1)

Figure 1 shows an overview from 2007 of the percentage of organic farming area in all European countries, and it can be seen that the four countries, the Czech Republic, Denmark, Italy and Switzerland are among the countries in Europe with the highest percentage of organic farming area.

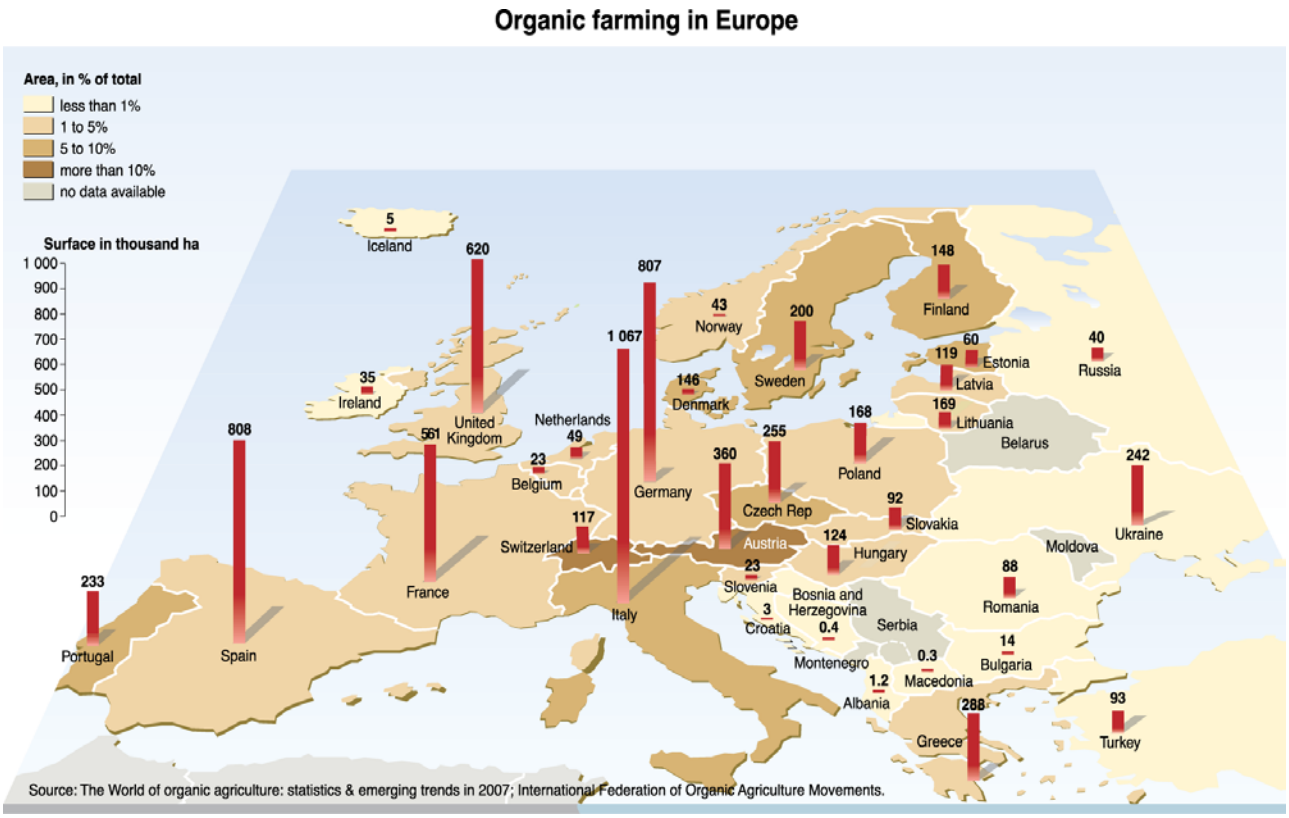


Figure 1: Organic farming in Europe, surface area by country (Rekacewicz et al., 2007)

2.1.2. Certification systems

The countries were selected to represent different certification systems. The Commission discriminates between 3 types of certification systems (EC, 2009):

A: System of approved private inspection bodies

B: System of (a) designated public inspection authority(ies).

C: System of a designated public inspection authority and approved private inspection bodies.

In 2007 when the application for the CERTCOST project was written the countries selected for the study represented all three types of certification systems (EC, 2007).

3 EU countries, Germany, Italy and the United Kingdom plus the 2 countries outside the EU, Switzerland and Turkey, had the type A certification system, while Denmark had a type B and the Czech Republic a type C system. However, in 2008 the Czech Republic changed its certification system to type A, so only type A and type B certification systems could be studied for the year 2008, which was chosen as the reference year for the data collection.

At the EU level the organic certification system is supervised by the European Commission and at the national level by the member states. In this study only the national level is investigated. The organic certification chain consists of the following actors: competent authority(ies), accreditation body(ies), control authority(ies) / control body(ies) and standards owner(s) (see figure 2). When looking at actual costs of the users of the organic certification services the certification chain should in fact be extended with the authorities subsidising certification costs of the organic producers (farmers).

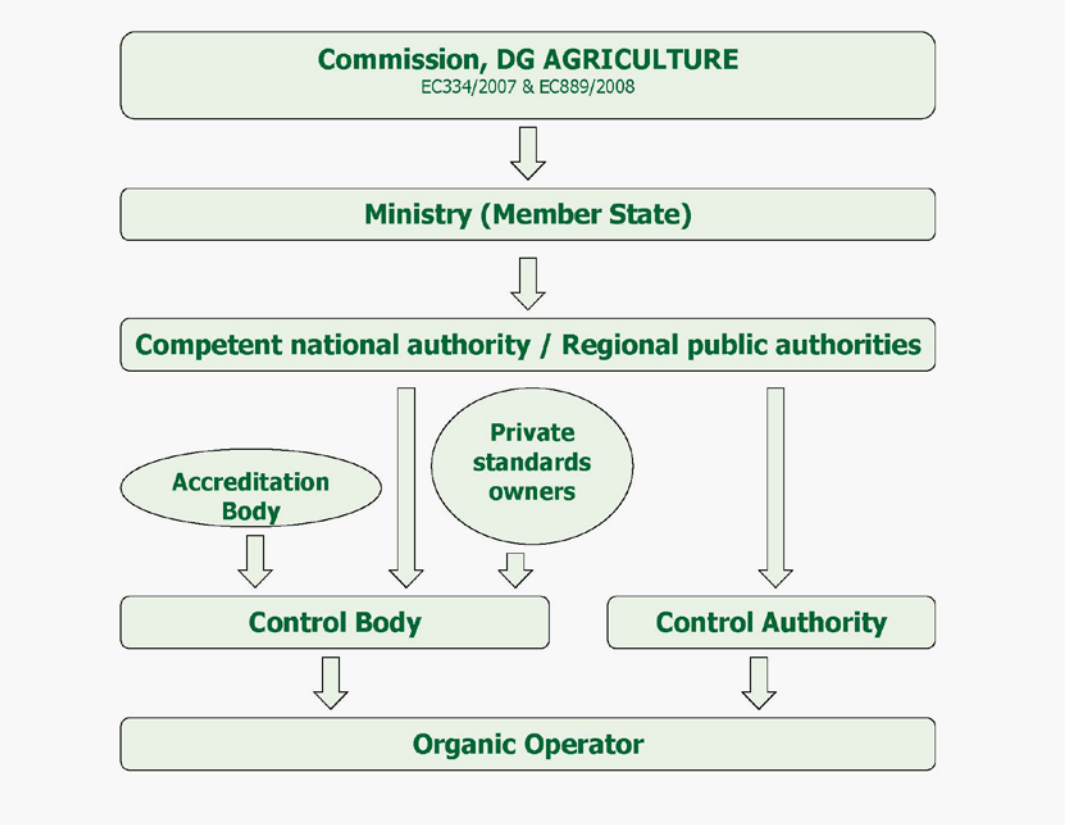


Figure 2: Overview of the actors involved in the organic certification chain based on figure in Zorn et al. (2009)

Table 3 shows an overview of the number of actors involved in the certification chain for the 7 study countries in the year 2008 based on the www.organicrules.org database.

Table 3: Overview of the actors involved in the organic certification chain of the 7 study countries for the year 2008, based on the www.organicrules.org database

	Competent Authorities	Accreditation Bodies	Control Authorities	Control Bodies	Standards Owners	TOTAL	Authorities subsidizing certification costs
CZ	1	1		3		5	
DE	15	2		22	9	48	11
DK	2		2	1	3	8	1
IT	1 (24)[1]	1		18	4	24	19
UK	1	1		9	1	12	1
CH	1	1		4	4	10	
TR	1	1		10	1	13	
Total	**22**	**7**	**2**	**67**	**22**	**120**	**34**

1: The Italian Ministry of Agriculture and Forestry has delegated the supervision of the private control bodies to the Central Inspectorate for the Control of Food Quality (ICQ) and to 20 regional and 2 autonomous provincial governments.

Not all countries are represented at all levels. In some countries the supervision of the organic certification system lies with regional or provincial governments. This is the case in Germany and

Italy. In Denmark the supervision of the organic certification system has been delegated to two governmental agencies.

Accreditation bodies are not involved in the certification chain in all of the study countries because the EC 834/2007 does not require that public control authorities are accredited according to ISO65 / EN45011. This is the reason why there is no accreditation body in Denmark. (The private Danish Demeter association, which certifications the bio-dynamic farmers and processors according to the Demeter standards on top of the EU organic legislation, is not accredited).

In the Czech Republic no standards owners are involved, because the control bodies certify according to the organic EU regulations only. Standards owners may be public authorities (standards for areas not covered by the EU organic regulations, as for example catering in Denmark) or private bodies, e.g. Demeter, Bioland, AIAB and the Soil Association (in Germany, Italy and the United Kingdom), while the countries outside the EU (Switzerland and Turkey) apply their own governmental regulation as well as private standards (in Switzerland).

Certification support payment is found only in Germany, Italy and the United Kingdom, while in Denmark the public organic certification system is free of charge for all organic farmers and processors, as long as the control carried out is not an extra control due to risk of fraud. In Germany the organic certification subsidies are managed by the regional governments in 11 of the 16 regions/Länder. In Italy the certification subsidies are managed by the regional governments in 18 out of 19 regions and in 1 of the 2 provinces, while in the United Kingdom only 1 region, Scotland, pays certification subsidies, and only to a limited number of operators. In these 3 countries the organic certification support payment is only given to farmers (not to processors or other operators), and often only for a limited number of years (see section 4.3).

Table 4 shows the number of approved control authorities and bodies according to the "List of approved control authorities and bodies in the EU" for 2008 and 2009 (EC, 2009); (EC, 2010b). As can be seen, the number of control bodies in Denmark and Italy for 2008 according to the www.organicrules.org database (table 3) is different from the official list issued by the Commission for 2008 and 2009. There are several reasons for these differences. The data on actors involved in the certification chain for the database was collected in 2009, and the new EU regulations, EC 834/2007 and EC 889/2008 entered into force on January 1, 2009. From this date it became a condition that private organic control bodies operating in the EU were accredited according to the most recently notified version of the European Standard EN45011 / ISO Guide 65 (General requirements for bodies operating product certification systems) in accordance with EC 834/2007, article 32, paragraph 2. Two Italian control bodies had not obtained an EN45011 accreditation, for which reason they were not active in organic certification at the time of data collection. As regards Denmark only the two main offices of the organic control authorities were listed in the database while the 10 regional offices of one of the two control authorities were listed in the official list for 2008 (EC, 2009). In 2009 the control authority reduced the number of regional offices to 3.

Table 4: Number of control authorities or control bodies respectively in the EU for 2008 and 2009 according to (EC, 2009); (EC, 2010b) compared to the information in table 3

	CZ	DE	DK	IT	UK
2008	3	22	11	20	9
2009	3	24	4	16	9
Table 3	3	22	2	18	9

3 DATA COLLECTION

3.1 Data collection methods

3.1.1. Publicly available organic control fees

Data on publicly available fees for organic certification and inspection plus public certification support measures influencing the actual control costs were collected by the CERTCOST partners [3] from 19 countries, for which data was entered into the certification database, www.organicrules.org, i.e. Austria, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Norway, Poland, the Republic of Slovenia, Romania, Spain, Sweden, Switzerland, the Netherlands, Turkey and the United Kingdom.

In this study "publicly available organic control fee" has been defined as a price list or price information on certification and inspection services, which is available on the web site of the control authorities / control bodies, because the internet is currently the most important and transparent communication tool for the users of the organic certification system. The control fee may be a single fee covering both certification and inspection or it may consist of separate fees for inspection and certification.

As a first step in the data collection process, publicly available fees for organic certification and inspection of farmers, processors, wholesalers, retailers and importers were collected by searching of web pages of the control bodies and authorities in the 19 countries mentioned above. For those control authorities and control bodies, which had publicly available control fee information on their web page, the most important information was summarised in English and uploaded under the respective control authority / control body in the www.organicrules.org database together with a link to the fee information on the webpage in the original language.

In a second step a more detailed survey was carried out in the 7 study countries (the Czech Republic, Denmark, Germany, Italy, the United Kingdom, Switzerland and Turkey) by means of 4 different detailed questionnaires, which were particularly aimed at the 4 types of actors in the chain (competent authorities, accreditation bodies, control authorities / control bodies and standards owners). The questionnaires concerned among other things questions on

[3] *Alexander Zorn and Mirko Krautter, University of Hohenheim (DE); Beate Huber and Heidrun Moschitz, FiBL (CH); Bori Liebl, FiBL.de (DE); Florentine Meinshausen, IMO (CH); Lukáš Zagata, Czech University of Life Sciences Prague (CZ); Samanta Rosi Belliere, ICEA (IT); Francesco Solfanelli, Polytechnic University of Marche (IT); Susanne Padel, Organic Research Centre Elm Farm (UK); Canan Abay and Özlem Karahan Uysal, Ege University (TR), Lizzie Melby Jespersen and Florence Nyambi, ICROFS (DK).*

various types of costs, control and licence fees, turnover and number of full time employees etc. All questionnaires are enclosed in Annex I.

The questionnaire survey was partly designed to deliver data to the www.organicrules.org database and to this study on organic control fees and estimation of the size of the organic certification sector in the EU in staff full time years. However, most of the questions in the questionnaires were to be used for collection of data and information for the CERTCOST Deliverable 21 report on total costs of organic certification systems in 7 European countries with particular focus on several organic supply chains and the potential of alternative systems (to be published in 2011).

It was foreseen that it might be difficult to get comparable data on the fees of different control authorities and control bodies for various types of operators. Therefore the questionnaire also included cases on 3 different types of farms and 2 different types of processors, for which the respondents were asked to estimate the control fee (certification and inspection) and the total time spent (incl. administration etc.) on an annual control of the following operators:

FARM CASES:

A: 50 ha arable farm (cereals), no livestock.
B: 50 ha dairy farm with 50 dairy cows and 10 ha arable crops.
C: 10 ha vegetables.

PROCESSOR CASES:

D: Oil mill (olive, rapeseed or other), 100% organic processing, 100,000 t raw material processed per year.
E: Flour mill, 10 % organic processing, with a total of 100.000 t. flour produced per year

The questions asked to the control authorities and control bodies concerning the farm and processor cases are shown in table 5.

Table 5: Questions on farm and processor cases

What are the total costs (costs for staff and others) for one control? (in €)
How much time (in hours per control) is involved in :
• Control on-site (inspection visit)
• Preparation and post-processing by qualified personnel
• Preparation and post-processing by administrative staff
• Carrying out or managing lab analysis of samples taken
• Handling sanctions, withdrawal etc.
• Customer support during the year
Other costs than staff; overhead

Partners from each study country sent out the questionnaires to the competent authorities, accreditation bodies, control authorities / control bodies and standards owners in their country. The authorities and bodies should then prepare their answers and return their questionnaire to the responsible partner. Afterwards the respondents and the responsible partner discussed the answers and clarified any uncertainties in a telephone interview.

It was decided to include questionnaires for standards owners only in Switzerland and Turkey to simplify the data collection and analysis, because all the control authorities and control bodies operating in EU countries apply the EC 834/2007 as a minimum. Besides, the

number of regional competent authorities in Germany and Italy included in the questionnaire survey was also reduced to a reasonable number. In Germany the competent authorities of 5 regions ("Länder") out of a total of 15, representing the east, west, north and south of Germany were chosen: Bavaria, Hesse, Mecklenburg-Western Pomerania, Saarland and Saxony. In Italy the Ministry of Agriculture and Forestry plus 2 regional competent authorities out of 20 regional and provincial competent authorities from mid-Italy, Marche and Tuscany were chosen.

The questionnaires were also sent out to the accreditation bodies, control authorities and control bodies in the 7 countries based on the information in the www.organicrules.org database.

As mentioned earlier some national or regional authorities in Germany, Italy and the United Kingdom give support to cover certification costs of farmers. Therefore, to be able to compare the real costs of the farmers, data on certification support was collected by the relevant partners by searching the web pages of the national or regional authorities responsible for the administration of the support. These data were checked with data collected by Schwarz et al. (2010), who conducted a study on all types of organic farming support payments in the EU at the same time. Information on certification support schemes and the authorities responsible for the administration of them has also been uploaded to the www.organicrules.org database for the countries, where it is relevant.

3.1.2. Size of the organic certification sector

The detailed questionnaire mentioned in section 3.1.1 also contained questions relevant for estimating the size of the certification sector. Questions concerning number of staff full-time years for implementation of the EC 834/2007 regulation were included in the questionnaires to the competent authorities, accreditation bodies, control authorities, control bodies and standards owners as shown in table 6. For Switzerland and Turkey the same questions were asked, but for implementation of their national regulation instead of the EC 834/2007 Regulation. This data was collected for estimation of the organic certification sector in staff full-time years and staff costs in €.

Table 6: Questions for estimation of the size of the organic certification sector in staff full time years

General questions	➢ How many hours is a "full time year" in your organizations (excl. holidays and weekends)? ➢ Estimated average hourly rate for employees working on organic certification issues in your organization in €.
Competent authorities	➢ Working time involved in different parts of implementing the EU regulation 834/2007/(national regulation) (full time person years)? (Total working time in full time years).
Accreditation bodies:	➢ How much time is involved in organic accreditation according to ISO65/EN45011 with scope [EU organic regulation/(national regulation)]? • Control on-site (inspection visit)? (Total number of employees in full time years). • Preparation and post-processing by qualified personnel and administrative staff? (Total number of employees in full time years).
Control authorities / bodies:	➢ Total working time spent for controlling all operators according to the [EU organic regulation/(national regulation] (all types of controls added up in full time years)? This included time spent on: • Control on-site (inspection visit) • Preparation and post-processing (including withdrawals etc.) by qualified personnel. • Preparation and post-processing (including withdrawals etc.) by administrative staff. • Carrying out or managing lab analysis of samples taken • Customer support during the year.
Standards owners:	➢ Total working time involved in implementing the standard. ➢ Total working time involved in further developing the standard. (Total time in full time years.

3.1.3. Questionnaire response rate

Table 7 shows the number of respondents in the 7 countries, which returned the detailed questionnaire and the total number of actors. (The results of the questionnaire survey are presented in Chapter 4 and 5).

In total 57 authorities and bodies involved in the organic certification chain responded, of which:

- 14 competent authorities
- 6 accreditation bodies
- 35 control authorities and control bodies (2 control authorities + 33 control bodies)
- 2 standards owners

Table 7: Number of actors, which returned the detailed questionnaire and total actors in the certification chain: [actors / (total actors)]

Country	Competent authorities	Accreditation bodies	Control authorities / control bodies	Standards owners[1]	TOTAL
CZ	1 / (1)	1 / (1)	3 / (3)	- / (-)	**5 / (5)**
DE	5 /(15)[2]	1 /(2)	6 /(22)	- / (9)	**12 / (39)[1]**
DK	2 / (2)	-	2 / (2)	- / (3)	**4 / (4)**
IT	3 / (24)[3]	1 / (1)	5 / (18)	- / (4)	**9 / (43)**
UK	1 / (1)	1 / (1)	7 / (9)	- / (1)	**9 / (11)**
CH	1 / (1)	1 / (1)	2 / (4)	1 / (4)	**5 / (10)**
TR	1 / (1)	1 / (1)	10 / (10)	1 / (1)	**13 / (13)**

1: Questionnaires were only sent to public and private standards owners in the countries outside the EU.
2: Questionnaires were only sent to 5 regional competent authorities (see also section 3.1.1)
3: Questionnaires were only sent to 3 regional competent authorities (see also section 3.1.1)

As can be seen from table 7 all the competent authorities, accreditation bodies and control authorities approached did respond except one German accreditation body. Of the 66 control bodies approached half of them responded, while 2 out of the 5 standards owners approached responded. In the Czech Republic, Denmark and Turkey all actors approached in the organic certification chain responded. Besides the 2 control authorities in Denmark there is also a private control body, but it is not accredited and it only carries out a supplementary inspection and certification for specific rules on top of the organic control carried out by the public Danish control authorities. Therefore its control and fees are not comparable to other private control bodies, and it has not filled in data for the 5 case studies for which reason it has been left out of the study.

The number of responding control bodies was lower than the total for Germany, Italy, United Kingdom and Switzerland due to a lower response rate. This influences the results and representativeness of the data on fees and the number of staff in full time equivalents (FTE) for these countries. Standards owners were only included for the two countries outside the EU, Switzerland and Turkey.

Of the standards owners approached in Switzerland and Turkey the only organic standards owner in Turkey, the Ministry of Agriculture and rural Affairs responded, while in Switzerland only 1 private standards owner responded out of 3 private and 1 public standards owners. With such a limited data base it was decided to leave out the standards owners' contribution to fees (licence fees for the use of private standards and logos) and the size of the organic certification sector in staff FTE in this report.

The questionnaires received from the control bodies were of very variable quality. Some respondents had filled in very detailed information for most of the questions while others had only filled in data for few questions, e.g. on control fees or farm and/or processor cases or the number of staff FTE. Therefore less data was available for the analysis of control fees, farm and processor cases and the size of the sector in FTE than the number of responses shown in table 7.

3.2 Problems encountered

3.2.1. Comparability of data on control fees

From the data collection for the www.organicrules.org database it was clear that far from all control bodies had publicly available price lists for their services on their web site. Besides, some control bodies did not give very detailed information on their fees in the questionnaire survey. Therefore the collected data on fees are not necessarily representative for all control bodies in those countries (Germany, Italy, the United Kingdom and Switzerland (see table 7).

The collected data on control fees also showed that the basis for calculation of fees differed a lot between control bodies within the same country and between countries. This made an overall comparison of the certification and inspection fees between control bodies and between countries impossible. However, in the questionnaire the control authorities and control bodies were asked to estimate their fees for 3 different farm types and 2 different processor types, and that made a comparison of the fees possible for those control bodies, which had filled in these questions (see section 3.1.1).

3.2.2. Comparability of data on estimation of staff full time years

There is no common figure for the number of hours in a “full-time year”. Not only does the number of hours vary between countries, but it may also vary between public and private institutions and even between different private companies in the same country. Besides, it varies from year to year because of a different number of total working days and because of a different number of officially recognized holidays each year. This was the reason why the respondents were asked for the number of hours worked by full time staff in their organisation in the year 2008. However, it turned out that some of these figures seemed to be considerably below or above the average when compared to other sources on average annual working hours for full time employed staff. Therefore an average number of hours in a staff full-time year was estimated for each country for adjustment of the figures on number of staff full time years spent by the different actors in the certification chain (see section 5.1).

4 CONTROL FEES

4.1 Comparison of organic control fees

4.1.1. Publicly available organic control fees

As mentioned in Section 3.2 far from all European control bodies had publicly available price information on their web sites. Denmark has a public certification system free of charge for all the organic operators and therefore no price information. In the other 6 study countries the number of control bodies, which had public price information on their web site, varied from 67 % in the Czech Republic to 14 % in Germany (see table 8). Except for the Czech Republic, 50 % or less of the control bodies in the 5 other study countries had publicly available information on inspection and certification fees on their website. According to ISO 65 (1996), article 4.8.1 (d) *"the certification body shall provide (through publications, electronic media or other means) update at regular intervals, and make available on request* general information on the fees charged to applicants and to suppliers of certified products".

All control bodies in the EU have to be accredited to ISO 65 / EN 45011since 1 January 2009 according to the EC 834/2007 Regulation. Therefore, it was expected that all control bodies had public information on their fees and services on their web site. ISO 65 is also applied for organic certification in Switzerland and Turkey according to their national organic regulation, but in Switzerland only half of the control bodies had public information on their control fees and in Turkey this was the case for 20 % of the control bodies.

Table 8 Number of control bodies and number of control bodies with public price information on their website in 6 study countries

Country	Total number of control bodies	Number of control bodies with price information on web site	Control bodies with price information: % of all control bodies
CZ	3	2	67
DE	22	3	14
IT	18	8	44
UK	9	4	44
CH	4	2	50
TR	10	2	20

4.1.2. Fee calculation methods

According to the information received from the control bodies in the questionnaire survey their fees are calculated in many different ways. Some of the control bodies have separate fees for the inspection and the certification (e.g. in Switzerland and Turkey), but most control bodies do not distinguish between inspection and certification fees but apply a control fee covering both the inspection and the certification. Some control bodies apply a basic fixed fee, which may be the same for everybody or depend on the type and/or size of the operator, and they may apply a minimum and perhaps also a maximum fixed fee. Many apply a combination of a basic fixed fee and variable fees. For farmers the variable fees most often depend on the area and types of crops, types and number of animals farmed, while for processors (and other operators, e.g. importers, exporters and retailers) the fee most often depends on the economic turnover from the sale of organic products. Several control bodies have combinations of fixed fees (basic fees) and variable fees (e.g. in the Czech Republic, Italy and the United Kingdom). Some control bodies apply a minimum fee limit and some also have a maximum fee limit for farmers and processors per year for the normal control (e.g. in Germany and the Czech Republic) and some have an extra fee for farmers and processors, which also have conventional production/processing (in the Czech Republic).

To make the payment system simpler to overlook some control bodies have applied a number of fee classes for various types of farms, based on area, crop types and sometimes also the number and types of animals (e.g. in Germany and the United Kingdom). A few control bodies have a similar fee class system for the processors based on the size of the annual turnover of organic products. Some control bodies apply an hourly rate or a “per day” rate for the time spent on inspection excluding or including administration and transport time and costs, which then will have to be paid on top of the fee (e.g. in the Czech Republic, Germany, Switzerland and Turkey).

There is very little information available on the fees for other operators than farmers and processors, e.g. importers, exporters, retailers and farm suppliers. From the United Kingdom and Switzerland there is no information, while there is one response from Italy and the Czech Republic, respectively, and German control bodies have delivered 3 answers. Fees for such operators are either lump sums or based on hourly rates. From Turkey 8 control bodies have responded, and they have all applied the same fees for such operators as for the processors, i.e. fees based on daily rates. Because there is so little data available this issue will not be dealt with further in this report.

As can be seen from the description of the many different fee systems described above, which may even be combined in many different ways, it is very difficult - if not impossible for organic operators or stakeholders to compare the fees of different control bodies in the same country (especially if there are many control bodies as in Germany or Italy) or between countries. However, this was foreseen, for which reason 3 farm cases and 2 processor cases were included in the detailed questionnaire survey, and the control bodies were asked to estimate the price and the number of hours spent on control including administration before and after the control visit for one annual control in order to get comparable data (see also table 5).

4.2 Case study on control fees for 3 farm cases

4.2.1. Comparison of farm cases within countries

As described in section 3.1.1 the questionnaire survey included 3 farm cases, for which the control bodies were asked to estimate the total control fee, the hours spent on the control

including administration and other costs involved, e.g. travel and accommodation costs, overhead, etc. The 3 farm cases were:

A: 50 ha arable farm (cereals) no livestock.
B: 50 ha dairy farm with 50 dairy cows and 10 ha arable crops.
C: 10 ha vegetables.

In tables 9-14 are presented the results of the 3 farm case studies for 6 of the 7 study countries: the Czech Republic, Germany, Italy, the United Kingdom, Switzerland and Turkey. Denmark is left out because the governmental organic control system is free of charge for all organic operators in Denmark as long as the control is normal, but not in cases of extra controls because of fraud. Table 9-14 present the total control fee, the hours spent on the control (including administrative tasks), other control costs (e.g. travel costs, overhead, etc.) and calculated hourly rates for the 6 countries for comparison of differences between control bodies within countries. The hourly rate is calculated as the total fee (i.e. labour costs and other costs), divided by the hours spent on the control. In tables 9-15 "Total fees", "Other costs" and "Hourly rate" are rounded to whole numbers in €, while "Hours" are rounded to half hours.

Only the control bodies, which had filled in information on total fees as well as hours spent on the control, have been included in the comparison. The raw figures and the results for the control bodies, which only filled in the hours spent or the total fees can be found in the enclosed Annex II.

For two countries, Italy and Turkey the fees were adjusted to excl. VAT prices, because the fees were including 20 % VAT in Italy and 18 % VAT in Turkey. For the control bodies in the United Kingdom and Switzerland the fees were expressed in GBP and CHF, respectively. Therefore the fees were converted into EUR using the ECB (European Central Bank) average annual reference exchange rate for 2009, when the data was collected. The exchange rate used for conversion of GBP to EUR was 0.89094 and for conversion of CHF to EUR: 1.51.

Table 9 shows the results for the 3 farm cases for the Czech control bodies.

Table 9: Czech control bodies: Fees, working hours spent, hourly rate and other costs for control of 3 farm cases

	Case farm A: Arable farm				**Case farm B**: Dairy farm				**Case farm** C: Vegetable farm			
CZ	Total fee in €	Hours	Hourly rate in €	Other Costs	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1	55	4.5	10	10	75	6	11	10	125	11.5	10	10
CB2	77	6	8	29	85	7	8	29	93	8	8	29
Average	**66**	**5.5**	**9**	**19**	**80**	**6.5**	**9.5**	**19**	**109**	**10**	**9**	**19**
Interval	**55-77**	**4.5-6**	**8-10**	**10-29**	**75-85**	**6-7**	**8-11**	**10-29**	**93-125**	**8-11.5**	**8-10**	**10-29**

In the Czech Republic 2 out of the 3 control bodies approved for organic control, filled in the farm cases in the questionnaire. Both CBs estimated the lowest fee for the arable farm, case A (55-77 €) followed by the dairy farm, case B (75-85 €) and the vegetable farm, case C (93-125 €). CB1 was cheapest for the control of farm A and B, while CB2 was cheapest for farm C. The time spent on the control followed the same order as the control fee (4.5-6 hours for farm A and 8-11.5 hours for farm C). CB2 had the lowest hourly rate (8 €/h) while CB2's hourly rate varied from 10 to 11.5 €/h.

Table 10 shows the results for the German control bodies.

Table 10: German control bodies: Fees, working hours spent, hourly rate and other costs for control of 3 farm cases

	Case farm A: Arable farm				**Case farm B**: Dairy farm				**Case farm C**: Vegetable farm			
DE	Total fee in €	Hours	Hourly rate in €	Other Costs	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1	390	4.5	72	60	350	4	70	55	520	7	68	60
CB5	260	5	53		350	5.5	65		300	5	62	
CB6	400	3	133		400	3	133		440	3.5	126	
Average	**350**	**4**	**86**		**367**	**4**	**91**		**420**	**5**	**85**	
Interval	**260-400**	**3-5**	**53-133**	**0-60**	**350-400**	**3 -5.5**	**65-133**	**0-55**	**300-520**	**3.5-7**	**62-126**	**0-60**

In Germany 3 out of the 22 approved German organic control bodies filled in all questions for the 3 farm cases. 2 of the control bodies (CB1 and CB6), estimated the highest fee for the vegetable farm, case C, while the third CB (CB5) estimated the highest fee for the dairy farm, case B. CB6 estimated the same fee (400 €), for the arable farm and the dairy farm, (case A and B), while CB1 estimated the lowest fee for the dairy farm, case B, which is surprising, as farm B had the same area as farm A, but also 50 dairy cows, which give a more complex production and control situation. Looking at the average total fees, the arable farm, case A was cheapest followed by the dairy farm, case B and the vegetable farm, case C in ascending order. The greatest variation in the fee and time spent on the control was for the vegetable farm, case C with fees from 300-520 € and 3.5-7 hours spent on the control. The hourly rate varied a bit between farms for the same control body, which may be due to different ways of calculating the fee dependent on the type of farm. Between control bodies the hourly rate varied from 53 € (CB5) to 133 € (CB6) for the arable farm, case A, and from 62 € (CB5) to 126 € (CB6) for the vegetable farm, case C.

Table 11 shows the results for the Italian control bodies.

Table 11: Italian control bodies: Fees, working hours spent, hourly rate and other costs for control of 3 farm cases

	Case farm A: Arable farm				**Case farm B**: Dairy farm				**Case farm C**: Vegetable farm			
IT	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1	142	6.5	22		375	18.5	20		375	18.5	20	
CB2	667	13	51		473	15	32		646	15	43	
CB3	208	6.5	32		250	10	25		258	11	24	
CB4	125	5.5	24		342	14	25		308	14	22	
CB5	167	5.5	30		292	11	27		288	10.5	27	
Average	**262**	**7.5**	**32**		**346**	**13.5**	**26**		**375**	**14**	**27**	
Interval	**125-667**	**5.5-13**	**22-51**		**250-473**	**10-18.5**	**20-32**		**258-646**	**10.5-18.5**	**20-43**	

In Italy 5 out of the 18 approved organic control bodies filled in all questions for the 3 farm cases. All CBs had the lowest fee for the arable farm, case A except for one (CB2), which had the highest fee for farm A that is the most simple farm case to control. There is not much difference in the size of the fee between the dairy farm, case B and the vegetable farm, case C except for one control body (CB2) which generally had higher fees than the other control bodies. The reason for the higher fee is not necessarily because CB2 spent more time on the control than the other CBS, because CB1, which was one of the cheapest CBs, spent even more time on the control of the dairy farm, case B and the vegetable farm, case C (18.5 hours at a fee of 375 €) than CB2 (15 hours at a fee of 473-645 €). Greatest variation in the fee size had the arable farm, case A (125-667 €), while the time spent on the control differed with about 8 hours from the shortest to the longest time spent on the control for all 3 farm cases. The shortest time spent was 5.5 hours for farm A by 2 CBs and the longest was 18.5 hours spent by CB1 for farm B and farm C.

Looking at the average fees, the arable farm, case A had the lowest fee followed by the dairy farm, case B and the vegetable farm, case C in ascending order. Greatest variation in fee size had farm A (142-667 €) and greatest variation in time spent on the control had farm B (10-18.5 hours). The hourly rate varied slightly between farms for the same control body, especially for the control body with the highest fee (CB2) which had hourly rates from 32-51 €. Between control bodies the hourly rate varied from 20-22 € for CB1 to 32-51 € for CB2 for the 3 farm cases.

Table 12 shows the results for the UK control bodies.

Table 12: UK control bodies: Fees, working hours spent, hourly rate and other costs for control of 3 farm cases

	Case farm A: Arable farm				**Case farm B**: Dairy farm				**Case farm C**: Vegetable farm			
UK	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB2	640	17.5	37		640	20.0	32		657	17.5	38	
CB3	584	14.5	41		584	14.5	41		488	14.5	34	
CB6	505	4	126		505	4	126		505	4	126	
CB7	556	8	69		556	10	56		455	8	57	
Average	**571**	**11**	**68**		**571**	**12**	**64**		**526**	**11**	**64**	
Interval	**505-640**	**4-17.5**	**37-126**		**505-640**	**4-20**	**32-126**		**455-657**	**4-17.5**	**38-126**	

In the United Kingdom 4 out of the 9 approved organic control bodies filled in all questions for the 3 farm cases. 2 CBs had almost the same fee for all 3 farm cases (CB2 and CB6), while the two other CBs (CB3 and CB7) had the lowest fee for the vegetable farm, case C and an about 100 € higher fee for the arable farm, case A and the dairy farm, case B, probably because of area based fee calculations. There was not much difference in the fee size between the control bodies for any of the 3 farm cases. Greatest variation in the fee had the vegetable farm, case C (from 488-657 €). The difference in hours spent on the control by the 4 control bodies was much bigger than the difference in fees between them (4-17.5 hours for farm A and C and 4-20 hours for farm B, respectively). CB6, which was the next most expensive control body spent only 4 hours on the control for all 3 farm cases, while the most expensive control body (CB2) spent 17.5 hours on the arable and vegetable farm (case A and C) and 20 hours on the dairy farm (case B). Looking at the average fees, the vegetable

farm, case C, had the lowest fee of 526 €, because of the smallest area, while the 2 other farms had a fee of 571 €. The average hours spent on the control of the 3 farm cases were 11-12 hours. The hourly rate varied a bit between farms for the same control body, except for CB6, which had the highest hourly rate (125 €) for all 3 farms. Between control bodies the hourly rate varied from 32 - 38 € for CB2 to 126 € for CB6 for the 3 farm cases.

Table 13 shows the results for the Swiss control bodies.

Table 13: Swiss control bodies: Fees, working hours spent, hourly rate and other costs for control of 3 farm cases

	Case farm A: Arable farm				**Case farm B**: Dairy farm				**Case farm C**: Vegetable farm			
CH	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1	795	8.5	95		715	8.5	85		331	8.5	39	
CB2	1060	5.5	189		1291	5.5	231		1291	5.5	231	
Average	**927**	**7**	**142**		**1003**	**7**	**158**		**811**	**7**	**135**	
Interval	**795-1060**	**5.5-8.5**	**95-189**		**715-1291**	**5.5-8.5**	**85-231**		**331-1291**	**5.5-8.5**	**39-231**	

In Switzerland 2 out of the 4 approved organic control bodies filled in all questions for the 3 farm cases. One CB (CB1) has the lowest fee for the vegetable farm (case C) followed by the dairy farm (case B), and the arable farm (case A) in ascending order, while the other (CB2), had the lowest fee for farm A and the same, higher fee for farm B and C. CB1 was considerably cheaper (331-795 €) despite it spent more hours (8.5 hours) on the control of all 3 farm cases than CB2 (811-1291 € in fee and 5.5 hours for the control). Greatest variation in the fee size had farm C (331-1291 €). The 2 control bodies spent the same number of hours for the control of all 3 farm cases, 5.5 hours for CB1 and 8.5 hours for CB2.

Looking at the average fees, the vegetable farm, case C had the lowest fee of 811 € followed by the arable farm, case A (927 €) and the dairy farm, case B (1003 €). The average time spent on the control was 7 hours for all 3 farm cases and the average hourly rate varied from 135 (farm C) to 158 € (farm B).

Table 14 shows the results for the Turkish control bodies.

In Turkey 9 of the 10 approved organic control bodies filled in the questions for the 3 farm cases. However, 2 CBs (CB7 and CB10) did not fill in for farm B and 1 CB (CB8) did not fill in for farm C because they did not have any experience with such types of farms. The results for CB1 are for control according to the EC 834/2007 Regulation, while the control is according to the Turkish Organic Regulation for the other control bodies.

3 CBs (CB1, CB2 and CB3) had the lowest fee for the arable farm, case A, while 4 CBs (CB5, CB7, CB9 and CB10) had the lowest fee for the vegetable farm, case C. All the responding CBs had the highest fee for the dairy farm, case B, except for CB9, which had the same fee for the arable and dairy farm (farm case A and B). There was a big difference in the fee size between control bodies for the same farm case (144-1271 € for case A; 326-1780 € for case B and 297-848 € for case C). The difference in fee size between farm cases was less pronounced within the same control body, except for a few control bodies, of which CB5 was the most extreme with a fee of 297 € for the vegetable farm, 1271 € for the arable farm and 1780 € for the dairy farm. The reasons for the big differences between farm cases within the same control body and between control bodies for the same farm case are not known, as all

Turkish control bodies applied a “per day” fee except CB7, which had a fee rate dependent on the farm and parcel size and the type of production.

Table 14: Turkish control bodies: Fees, working hours spent, hourly rate and other costs for control of 3 farm cases

	Case farm A: Arable farm				**Case farm B**: Dairy farm				**Case farm C**: Vegetable farm			
TR	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1[1]	144	8.5	17		424	25	17		322	19	17	
CB2	220	35	3	102	326	49	5	102	345	61	4	102
CB3	466	16	21	127	890	30	21	254	848	27	22	254
CB4	509	26	14	144	614	24	20	144	509	22	17	144
CB5	1,271	19	67		1,780	40	45		297	22	14	
CB7	1,059	22	49	3					848	18	48	3
CB8	318	15	21	10	533	40	13	22				
CB9	1,017	28	36		1,017	28	36		848	20	42	
CB10	424	20	21						339	16	21	
Average	**603**	**21**	**28**	**48**	**798**	**34**	**25**	**75**	**544**	**25.5**	**25**	**63**
Interval	**144-1,271**	**8.5-35**	**3-67**	**0-144**	**326-1,780**	**24-49**	**5-45**	**0-254**	**297-848**	**16-61**	**4-48**	**0-254**

1: Information is for control according to EC 834/2007 Regulation.

The time spent on control also varied considerably between control bodies with CB1 spending the fewest hours (8.5 and 19 hours on farm case A and C, respectively) and CB2 spending the most (61 and 35 hours on farm case C and A, respectively). For several of the control bodies there was no correlation between the time spent and the size of the fee; e.g. CB2, which had the lowest fee (200 €) for farm A, spent 35 hours on the control, while CB5, which had the highest fee (1271 €), spent only 19 hours. The time spent on control differed with 45 hours (16-61 hours) from the shortest to the longest time spent on the control of farm C, while the difference was less pronounced for the 2 other farm cases. The hourly rate also varied considerably between the control bodies, from 3-67 € for farm case A, 5-45 € for farm case B and 4-48 € for farm case C).

Looking at the average fees, the vegetable farm had the lowest average fee of 544 € followed by the arable farm (603 €) and the dairy farm (798 €), while the average number of hours spent varied between 21-25 hours for the 3 farm cases. The average hourly rate varied only between 25 and 28 € for the 3 farm cases, with hourly rates from 3-67 € for farm case A, 5-45 € for farm case B and 4-48 € for farm case C. Between control bodies the hourly rate varied from 3-5 € for CB2 to 48-49 € for CB7. (CB5 had very different hourly rates for the 3 farm cases, from 14 € (farm case C) to 67 € (farm case A).

Under “Other costs” several of the Turkish control bodies stated rather high amounts in the questionnaire (up to 254 €) compared to the control bodies in the other study countries. It is not known whether these costs were estimated travel costs or overhead or a combination of both.

4.2.2. Comparison of farm cases between countries

Based on table 9-14 table 15 presents a comparison of the 3 farm cases as regards average, minimum and maximum fee, hours spent, and hourly rate for the 6 study countries.

Table 15: Farm cases: Average and interval of fees, working hours spent and hourly rates for 6 European study countries

	Case farm A: Arable farm			**Case farm B**: Dairy farm			**Case farm C**: Vegetable farm		
	Total fee in €	Hours	Hourly rate in €	Total fee in €	Hours	Hourly rate in €	Total fee in €	Hours	Hourly rate in €
CZ Average	66	5.5	9	80	6.5	10	109	10	9
CZ Interval	**55**-77	4.5-6	**8**-10	**75**-85	6-7	**8**-11	**93**-125	8-11.5	8-10
DE Average	350	4	86	367	4	91	420	5	85
DE Interval	260-400	**3**-5	53-**133**	350-400	**3** -5.5	65-**133**	300-520	**3.5**-7	62-126
IT Average	262	7.5	32	346	13.5	26	375	14	27
IT Interval	125-**667**	5.5-13	22-51	250-473	10-18.5	20-32	258-646	10.5-**18.5**	20-43
UK Average	571	11	68	571	12	64	526	11	64
UK Interval	505-640	4-**17.5**	37-126	505-**640**	4-**20**	32-126	455-**657**	4-17.5	38-126
4 EU countries	**312**	**7**	**45**	**341**	**9**	**38**	**358**	**10**	**36**
4 EU countries interval	**55-667**	**3-17.5**	**8-133**	**75-640**	**3-20**	**8-133**	**93-657**	**3.5-18.5**	**8-126**
CH Average	927	7	142	1003	7	158	811	7	135
CH Interval	795-1060	5.5-8.5	95-189	715-1291	5.5-8.5	85-231	331-1291	5.5-8.5	39-231
TR Average	603	21	30	798	34	25	544	25.5	25
TR Interval	144-1271	8.5-35	3-67	326-1780	24-49	5-45	297-848	16-61	4-48

Bold figures are the lowest and highest figures for total fees, hours spent and hourly rate.

On average the control bodies in the Czech Republic, Germany and Italy had the lowest control fee for the arable farm, case A, followed by the dairy farm, case B and the vegetable farm, case C in ascending order, while the control bodies in the United Kingdom had the lowest average control fee for the vegetable farm and the same fee for the arable and dairy farm. In Switzerland and Turkey the control bodies had the lowest average fee for the vegetable farm followed by the arable and dairy farm in ascending order. Based on the information obtained on the fee calculation system used by the different control bodies, it is not possible to explain these differences.

The average size of the fee for control of the 3 farm cases varied considerably between countries, with the Czech Republic being the cheapest (66-109 €), followed by Italy, (262-375 €), Germany (350-420 €), the United Kingdom (526-571 €), Turkey (544-798 €) and Switzerland (811-1003 €). However, when looking at the fee intervals for each country the variation in fee size within countries was more or less the same as between countries for several of the countries (e.g. for Italy, Switzerland and Turkey).

On average the control bodies in the 4 EU countries had fees between 312 and 358 € for the 3 farm cases. It is surprising that the control bodies in Turkey applying rather low salaries, had the next highest fees, but this may be due to much more time being spent on the control (21-34 hours) than in the other countries. The average time spent on control of the 3 farm cases in the EU countries was 7-10 hours and in Switzerland 7 hours. On average the control bodies in Germany spent the shortest time on the control (4-5 hours) followed by the Czech Republic (5.5-10 hours), Italy (7.5-14 hours) and the United Kingdom (11-12 hours). However, in general the time spent varied more within countries than between countries, e.g. in the UK from 4 to 20 hours for farm case B and in Turkey from 16 to 61 hours for farm case C.

For the 3 farm cases the calculated average hourly rates for the control bodies were lowest in the Czech Republic (9-10 €) followed by Turkey (25-28 €), Italy (26-32 €), the United Kingdom (64-68 €), Germany (85-91 €) and Switzerland (135-142 €). For the 4 EU countries the average hourly rate varied between 36 and 45 €. However, in several countries the difference in the calculated hourly rates was much bigger within the country than between countries, e.g. in Germany (53-133 € for the arable farm), in the United Kingdom (32-126 € for the dairy farm), in Switzerland (39-231 € for farm C) and in Turkey (3-67 € for the arable farm).

4.3 Case study on prices for 2 processor cases

4.3.1. Comparison of processor cases within countries

The questionnaire survey also included 2 processor cases, for which the control bodies were asked to estimate the total control fee, the hours spent on the control including administration and other costs involved, e.g. travel and accommodation costs and overhead. The 2 processor cases were:

D: Oil mill (olive rapeseed or other), 100 % organic processing, 100,000 t. raw material processed per year.

E: Flour mill, 10 % organic processing, with a total of 100,000 t. flour produced per year.

Table 16-21 present the results of the 2 processor case studies for the 6 study countries: the Czech Republic, Germany, Italy, the United Kingdom, Switzerland and Turkey. Denmark is left out because the public control system is free of charge for all organic operators. For the 2 processor cases are shown the total control fee, the hours spent on the control, other control costs and calculated hourly rates for the responding control bodies in each country. The hourly rate is calculated as the total fee (i.e. labour costs and other costs), divided by the

hours spent on the control. In table 16-22 “Total fees”, “Other costs” and “Hourly rate” are rounded to whole numbers in €, while “Hours” are rounded to half hours. Only the control bodies, which had filled in information on total fees as well as hours spent on the control, have been included in the comparison. The raw figures and the results for the control bodies, which only filled in the hours spent or the total fees can be found in the enclosed Annex II.

In the Czech Republic and the United Kingdom none of the responding control bodies were familiar with type D processors (oil mills), for which reason they only filled in the questionnaire for the type E processor (flour mill).

As for the farm case studies the fees were adjusted to excl. VAT prices for Italy and Turkey, and the estimates for the control bodies in the United Kingdom and Switzerland, which were expressed in GBP and CHF, were converted into EUR. Besides, “Total fees” and “Other costs” are rounded to whole numbers in €, while “Hours” are rounded to half hours. In the tables (see also section 4.2.1).

Table 16 shows the results for the flour mill processor, case E, for the Czech control bodies.

Table 16: Czech control bodies: Fees, working hours spent, hourly rate and other costs for control of 2 processor cases

	Case processor D: Organic oil mill				**Case processor E**: Conv. and organic flour mill			
CZ	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1					65	5	11	10
CB2					81	6.5	8	29
Average					**73**	**6**	**9**	**19**
Interval					**65-81**	**5-6.5**	**8-11**	**10-29**

2 out of the 3 Czech control bodies approved for organic control, filled in data for the flour mill processor case. CB1 had the lowest fee (65 €) and also spent less hours on the control (5 hours) than CB2 (6.5 hours). Despite of a higher fee of 81 € CB2 had the lowest hourly rate of 8 €, while CB1 had an hourly rate of 11 €.

Table 17 shows the results of the 2 processor cases for the German control bodies.

Table 17: German control bodies: Fees, working hours spent, hourly rate and other costs for control of 2 processor cases

	Case processor D: Organic oil mill				**Case processor E**: Conv. and organic flour mill			
DE	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1	750	7.5	95	60	655	6.5	95	60
CB5	300	5	62		360	5.5	67	
CB6	455	4	114		615	6	103	
Average	**502**	**5.5**	**90**		**543**	**6**	**88**	
Interval	**300-750**	**4.0-7.5**	**62-114**	**0-60**	**360-655**	**5.5-6.5**	**67-103**	**0-60**

3 out of the 22 approved German organic control bodies filled in the 2 processor cases in the questionnaire. 2 of the control bodies (CB5 and CB6), estimated the highest fee for the mixed conventional and organic flour mill (case E), while CB1 estimated the highest fee for the purely organic oil mill (case D). CB5 had the lowest control fee for the two processor cases (300 € and 360 €, respectively), followed by CB6 (455 € and 615 €) and CB1 (750 € and 655 €). On average the fee for the purely organic oil mill (case D) with a fee of 502 € was lower than for the mixed conventional and organic flour mill (case E) with a fee of 543 €, but the difference was small.

The hours spent on control varied between 4 hours (CB6) and 7.5 hours (CB1) for processor D and between 5.5 hours (CB5) and 6.5 (C1) for processor E. CB5 had the lowest hourly rate (62-67 €), while CB6 had the highest (103-114 €).

Table 18 shows the results of the 2 processor cases for the Italian control bodies.

Table 18: Italian control bodies: Fees, working hours spent, hourly rate and other costs for control of 2 processor cases

	Case processor D: Organic oil mill				**Case processor E**: Conv. and organic flour mill			
IT	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1	142	6.5	22		258	2.5	112	
CB3	333	12	28		333	12	28	
CB4	133	5.5	25		225	9.5	24	
CB5	292	5.5	55		292	5.5	55	
Average	**225**	**7.5**	**32**		**277**	**7.5**	**55**	
Interval	**133-333**	**5.5-12**	**22-55**		**225-333**	**2.5-12**	**24-112**	

4 out of the 18 approved Italian organic control bodies filled in all questions for the 2 processor cases. 2 of the control bodies (CB3 and CB5) applied the same fee for both processor cases (oil mill and flour mill), while the fee for the 2 other control bodies (CB1 and CB4) was about 100 € higher for the mixed conventional and organic flour mill (case E) than for the purely organic oil mill (case D). It was expected that the control of a mixed conventional and organic processor (case E) would be more complicated and therefore also more expensive than the control of a purely organic processor (case D). However, CB1 spent less time on the control of the flour mill case (2.5 hours) than on the oil mill case (6.5 hours) even though the fee for the flour mill was higher (258 €) than for the oil mill (142 €).

CB4 had the lowest fee (133 – 225 €) followed by CB1 (142-258 €), CB5 (292 €) and CB3 (333 €). CB4 also had the lowest hourly rate (24-25 €) followed by CB3 (28 €), CB5 (55 €) and CB1 (22-112 €). CB1 and CB5 spent the least time on the control (2.5-6.5 hours and 5.5 hours, respectively) followed by CB4 (5.5-9.5 hours) and CB3 (12 hours). There was no correlation between the size of the fee and the hours spent on the control.

Looking at the average fees, the control was a bit cheaper for the oil mill case (225 €) than for the flour mill case (277 €), while the hours spent on the control were the same for both cases (7.5 hours). The average hourly rate varied from 32 € for the oil mill (case D) to 55 € for the flour mill (case E).

Table 19 shows the results of the processor cases for the UK control bodies.

Table 19: UK control bodies: Fees, working hours spent, hourly rate and other costs for control of 2 processor cases

	Case processor D: Organic oil mill				**Case processor E**: Conv. and organic flour mill			
UK	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB2					876	18.5	47	
CB3					561	14.5	39	
Average					**718**	**16.5**	**43**	
Interval					**561-876**	**14.5-18.5**	**39-48**	

None of the approved UK organic control bodies filled in the questionnaire for the purely organic oil mill (case D), and only 2 out of the 9 approved organic control bodies filled in the questions for the mixed conventional and organic flour mill (case E). CB3 had a lower fee (561 €) and spent less hours on the control of the flour mill case than CB2, which had a fee of 876 € and spent 18.5 hours on the control. CB3 also had the lowest hourly rate (36 €) compared to 47 € for CB2. The average fee for case E was 718 € and the average time spent on the control was 16.5 hours giving an hourly rate of 43 €.

Table 20 shows the results of the processor cases for Switzerland.

Table 20: Swiss control bodies: Fees, working hours spent, hourly rate and other costs for control of 2 processor cases

	Case processor D: Organic oil mill				**Case processor E**. Conv. and organic flour mill			
CH	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB2	828	5.5	158		762	5.5	145	
Average								
Interval								

Of the 4 approved Swiss control bodies only one control body filled in the processor cases in the questionnaire, so it was not possible to make any comparisons between control bodies within the country. CB2 had a lower control fee for the mixed conventional and organic flour mill (762 €) than for the purely organic oil mill (828 €), despite spending the same time (5.5 hours) on the control for both processor cases. The hourly rate for the flour mill (case E) was 145 €, and 158 € for the oil mill (case D).

Table 21 shows the results of the 2 processor cases for the Turkish control bodies.

8 out of the 10 approved Turkish organic control bodies filled in all questions for the 2 processor cases. 2 control bodies, CB4 and CB8 had filled in the questionnaires for 2 and 4 visits in a year, respectively, because they would apply that number of visits for oil mills (case D) and flour mills (case E). Therefore, their figures were corrected to 1 annual control visit to make their figures comparable with the figures from the other control bodies.

Table 21: Turkish control bodies: Fees, working hours spent, hourly rate and other costs for control of 2 processor cases

	Case processor D: Organic oil mill				**Case processor E**: Conv. and organic flour mill			
TR	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1	136	8	17		246	14.5	17	
CB2	220	35	3	102	220	35	3	102
CB3	127	7.5	6	85	191	16.5	1	170
CB4[1]	848	19.5	34	212	403	19.5	15	102
CB5	509	25	20		509	25	20	
CB7	636	18	36	3	636	18	36	3
CB8[2]	530	25	20	85	265	14.5	18	4
CB9	848	20	42		848	20	42	
Average	**481**	**20**	**22**	**53**	**415**	**20.5**	**19**	**47**
Interval	**136-848**	**7.5-19.5**	**3-42**	**0-212**	**191-848**	**14.5-35**	**1-42**	**0-170**

1: Figures are for 1 control visit. CB4 would usually apply 2 visits per year for such processors
2: Figures are for 1 control visit. CB8 would usually apply 4 visits per year for such processors

4 of the control bodies (CB2, CB5, CB7 and CB9) applied the same fee for both processor cases, 2 control bodies (CB1 and CB3) had the lowest fee for the purely organic oil mill (case D), and 2 control bodies (CB4 and CB8) had the lowest fee for the mixed conventional and organic flour mill (case E). CB9 had the highest fee (848 €) and CB3 the lowest (127 € and 191 € for case D and E, respectively). The hours spent on the control varied from 7.5 hours (CB3) to 35 hours (CB2) for the oil mill and from 14.5 hours (CB1 and CB8) to 35 hours (CB2) for the flour mill. The control bodies that applied the same fee for both processors also spent the same number of hours on the control of each of them. Therefore they had the same hourly rate for the control of both types of processors. The hourly rate varied considerably between control bodies, e.g. from 1 € (CB3) to 42 € (CB9) for control of the flour mill (case E).

Looking at the averages, the fees, the hours spent and the hourly rates were a bit lower for the flour mill case (564 €, 28 hours and 22 €/hour) than for the oil mill case (786 €, 31.5 hours and 25 €/ hour).

4.3.2. Comparison of processor cases between countries

Based on table 16-21 table 22 shows a comparison of the 2 processor cases as regards average, minimum and maximum fees, hours spent on the control and hourly rates for the 6 study countries. Data on the organic oil mill (case D) was only received from Germany, Italy, Switzerland and Turkey. The organic control bodies in the Czech Republic and the United Kingdom did not fill in data for case D, because they had no experience from control of oil mills. In Switzerland only one control body filled in data for case D and E, so the figures for Switzerland presented below, are not average figures.

In Germany and Italy the average fee for the purely organic oil mill (case D) was lower than for the mixed conventional and organic flour mill (case E), while the opposite was the case in Switzerland and Turkey. The average fees varied considerably between countries. For the

flour mill case the Czech Republic had the lowest control fee (73 €), followed by Italy (277 €), Turkey (415 €), Germany (543 €), the United Kingdom (718 €) and Switzerland (762 €). For the oil mill the average fee order was Italy (225 €), Turkey (481 €), Germany (502 €) and Switzerland (828 €). The average fee for the EU countries was 364 € for the oil mill case (2 countries) and 403 € for the flour mill case (4 countries). The variation in fee size between control bodies within countries was of the same magnitude or larger than the variation of the average fee size between countries.

The average number of hours spent on control of the flour mill case was about the same (5.5 – 7.5 hours) for the Czech Republic, Germany, Italy and Switzerland, while it was considerably higher for the United Kingdom (16.5 hours) and Turkey (20.5 hours). For the oil mill case the average number of hours spent on control was also about the same (5.5 – 7.5 hours) for Germany, Italy and Switzerland, while it was considerably higher for Turkey (20 hours). For those countries that had supplied data for both processor cases there was only little or no difference between the average number of hours spent on the control of the two processor cases. For the EU countries the average number of hours spent on control of the oil mill was 6.5 hours (2 countries) and 9 hours for control of the flour mill (4 countries). The variation in hours spent on the control between control bodies within countries was of a similar size as the variation between countries.

Table 22: Processor cases: Average and interval of fees, working hours spent and hourly rates for 6 European study countries

		Case processor D: Organic oil mill			**Case processor E**: Conv. and organic flour mill		
		Total fee in €	Hours	Hourly in €	Total fee in €	Hours	Hourly rate in €
CZ	**Average**				73	6	9
	Interval				**65**-81	**5**-6.5	**8**-11
DE	**Average**	502	5.5	90	543	6	88
	Interval	300-**750**	**4**.0-7.5	62-**114**	360-655	5.5-6.5	67-103
IT	**Average**	225	7.5	32	277	7.5	55
	Interval	**133**-333	5.5-**12**	**22**-55	225-333	2.5-12	24-**112**
UK	**Average**				718	16.5	43
	Interval				561-**876**	14.5-**18.5**	39-48
2/4 EU countries	**Average**	**364**	**6.5**	**61**	**403**	**9**	**49**
	Interval	**133-750**	**4-12**	**22-114**	**65-876**	**5-18.5**	**8-112**
CH	**CB2**	828	5.5	158	762	5.5	145
TR	**Average**	481	20	22	415	20.5	19
	Interval	136-848	7.5-19.5	3-42	191-848	14.5-35	1-42

As concerns the average hourly rates for control of the flour mill (case E) the Czech Republic had the lowest hourly rate (9 €) followed by Turkey (10 €), the United Kingdom (43 €), Italy

(55 €), Germany (88 €) and CB2 from Switzerland, which had a much higher hourly rate of 145 € . For the oil mill (case D) the order was a bit different, as Italy had the lowest hourly rate (32 €) followed by Turkey (53 €), Germany (90 €) and CB2 from Switzerland (158 €). For the EU countries the average hourly rate was 61 for control of the oil mill case (2 countries) and 49 for control of the flour mill case (4 countries). For most of the countries the variation in hourly rate within the country was of a similar size or larger than between countries.

4.4 Comparison of subsidies for certification costs

In some European countries there are public support schemes, which may compensate the organic farmers for their control costs. In Denmark the control of organic farmers, processors and other organic operators is free of charge, as it is paid by the government. Two of the other study countries, Germany and Italy, have support schemes for payment of certification costs of organic farmers only. In the 4 other countries, the Czech Republic, Switzerland, Turkey and the United Kingdom there is no support for payment of organic certification costs except for the British region, Scotland, where 50 % of a joining fee or an ongoing annual membership subscription of a food quality scheme (not only the organic) may be paid up to a maximum of 188 € (£ 150) excl. VAT. However, not all applying farmers can be sure to be supported as the resources are limited. Certification costs of organic processors or other organic operators are not paid in any of the EU countries (except Denmark) nor in Switzerland and Turkey.

In Germany and Italy the certification support schemes are administered by the regional authorities/Länder, which means that the conditions and the size of the support may differ between regions, and some regions do not give any support at all. Of the two Italian regions included in this study, the region of Marche does not give any support, while the region of Tuscany gives support for payment of farmers' certification costs under Measure 132: "Participation of farmers in food quality schemes", for a period of maximum 5 years. The payment is calculated on the basis of the actual, documented certification costs up to a maximum of 3000 € per farm and year. Therefore, in Tuscany the control fee for the 3 farm cases (see table 11) having control fees of 125 € up to 667 € depending on the type of farm and the control body involved, would be fully covered by the regional certification support scheme in the first 5 years after conversion to organic farming.

All 5 German Länder included in the study have support schemes for payment of certification costs of organic farmers. Bavaria, Hesse, Mecklenburg –Western Pomerania, Saarland and Saxony pay a support of 35 €/ha up to a maximum of 530 € per farm, while Bavaria pays a support of 35 €/ha up to max 15 ha (max 525 €), (Schwarz et al., 2010). This means that in the above mentioned 5 Länder the control fee would be fully covered for farm case A (control fee: 260-400 €) and case B (control fee: 350-400 €), which both have an area of 50 ha. The control fee for farm case C with an area of 10 ha corresponding to a certification support of maximum 350 € would only be fully compensated if controlled by the cheapest control body (CB5) with a control fee of 300 €. If controlled by CB1 with a control fee of 440 € the actual fee to be paid by farm C would be 90 €, and if controlled by the most expensive control body, CB6 with a control fee of 520 €, the actual fee to be paid would be 170 €.

4.5 Discussion of control fee results

One of the objectives of this report was to give an overview of the publicly available prices on control (inspection and certification) of farmers, processors, wholesalers, retailers and importers in selected EU countries (the Czech Republic, Denmark, Germany, Italy and the

United Kingdom), an associated country (Switzerland) and an EU candidate country (Turkey). Transparency and the possibility to compare control fees of different control bodies within countries as well as between countries are important for the organic operators (farmers, processors, importers etc.) and stakeholders, and it is particularly relevant in countries where there are many control bodies to choose among, as for example in Germany, Italy, the United Kingdom and Turkey.

It seems obvious that all control bodies offering their services to the organic operators should have a publicly available price list, and for the sake of transparency and user-friendliness towards the customers and other stakeholders such information should be published on the web site in a place that is easy to find. According to the accreditation requirements of ISO 65 (EN45011) it is stated in Article 4.8.1 (d), that *"the certification body shall provide (through publications, electronic media or other means) update at regular intervals, and make available on request general information on the fees charged to applicants and to suppliers of certified products".* However, the percentage of control bodies in the 7 study countries, which did have public price lists on their web site varied a lot - from 67 % in the Czech Republic, 50 % in Switzerland, 44 % in Italy and the United Kingdom, 20 % in Turkey down to 14 % in Germany. (In Denmark the control is free of charge for all organic operators, so there are no price lists). Thus, organic operators need to make personal contact with several control bodies to get an offer on the inspection and certification fee.

A reason for the low transparency may be the competition between private control bodies. Rundgren (2009) observed that introduction of several private control bodies in Sweden led to less transparency than a monopoly system with only one officially approved control body (KRAV), because price lists and lists of the certified operators were considered business secrets by the control bodies.

Another reason for the low transparency concerning the size of the fee to be paid by the operators, is, that the fees are calculated in so many different ways by different control bodies, that it is impossible for the customers to estimate and compare prices. Some control bodies have separate certification and inspection fees, but most control bodies only operate with one fee covering both inspection and certification. Some have fixed fees and/or a combination with variable fees. The variable fees may be calculated based on the time spent on the control, on the area and type of crops and animals, or on the annual turnover of organic products (especially for processors). Besides, the administrative costs, travel costs and other types of costs may be included or excluded in the fee or hourly rate. Some control bodies operate with minimum fees for various types of operators, and other control bodies operate with both minimum and maximum fees, which at least give the operator a frame for the cost of the control. This may be positive, depending on how high the minimum fee is for small farmers with a small area and/or turnover compared to operators with a large area and/or turnover, which may pay reduced control fees because their production is above the maximum fee limit.

A farmers' fee based on area, types of crops and number and type of animals has the advantage that it is easy for the farmer to calculate the fee and compare prices of different control bodies. For the processors a fee based on the organic turnover is also simple to calculate and compare. Some control bodies have a higher fee for farmers and processors which have not fully converted their operation. This is in line with the organic principles and seen from a risk assessment point of view, the risk of mistakes, contamination or fraud is considerably higher in an operation handling both organic as well as non-organic production or processing, so the lower fee for purely organic operators may also serve as a kind of bonus for simpler control conditions.

It was expected that it would be difficult to compare control fees of different control bodies within and between countries, and therefore a detailed questionnaire was used for collection of data on the costs of control bodies in the study countries. The questionnaire contained questions on total fees, hours spent on the control and other costs involved in the control (e.g. travel costs and overhead) for 3 farm cases and 2 processor cases. The 3 farm cases were:

A: a 50 ha arable farm, B: a 50 ha dairy farm with 50 dairy cows and 10 ha arable crops and C: a 10 ha vegetable farm. The processor cases were D: an oil mill with 100 % organic processing, 100,000 t raw material, and E: a flour mill with 10 % organic processing and 100,000 t flour produced per year. In total 25 control bodies supplied data on the farm cases, of which 2 from the Czech Republic, 3 from Germany, 5 from Italy, 4 from the United Kingdom, 2 from Switzerland and 9 from Turkey. The number of respondents having filled in data on the processor cases was a bit lower. The results of the questionnaire survey on the farm and processor cases showed that the average fee for the 4 EU countries was not very different between farm and processor cases (between 312 and 403 €). Comparison of control bodies within countries showed that there was not necessarily any correlation between the size of the fee and the time spent on the control, and the comparison of fees between countries showed that the variation in the size of the fee, the hours spent and the hourly rate could vary as much or even more between control bodies within the same country as between countries.

In general (for all farm and processor cases) the Czech Republic had the lowest average fees – for the farm cases: 66-109 €, followed by Italy (262-375 €), Germany (350-420 €), United Kingdom (526-571 €), Turkey (544-798 €) and Switzerland (811-1003 €). For the processor cases the order of the countries as concerns fee size was the same. It was not expected that the fees would be so high in Turkey, because of a rather low hourly salary compared to Germany, the United Kingdom and Switzerland. The main reason for the high control fees in Turkey is that the Turkish control bodies generally spent much more time on the control than the control bodies in the other countries – for the farm cases 21-34 hours on average in Turkey compared to 7-10 hours on average for the 4 EU countries.

In 11 of 16 Länder in Germany and in 18 of 19 regions and 1 of 2 provinces of Italy the regional governments subsidise control costs of organic farmers (see section 2.1.1). The farmers can apply to get their control fee reduced or even get the whole control fee back, depending on the size of the fee. The 5 German Länder involved in the study pay a support of 35 €/ha up to maximum 15 ha or 530 € which is enough to cover all or most of the control fee for the 3 farm cases depending on which control body carries out the control. Of the 2 Italian regions involved in the study, Marche and Tuscany, the first had no support scheme, while the other paid the actual documented control cost up to 3000 € per farm and year for a 5 year period. The Scottish region of the United Kingdom also has a support scheme which may pay 50 % of the joining fee or a membership subscription of a food quality scheme up to maximum 188 €. The other study countries have no support scheme except Denmark, where the control is free of charge.

The study shows that the fee calculation of the control bodies is done in quite diverse ways. It also shows that in many cases operators may save money by choosing the “right” control body, which however may change depending on the type and size of the farm or operation.

For the sake of transparency improvement it is recommended that the competent authorities and/or the accreditation bodies enjoin on the control bodies that they must have easily accessible and updated public price lists on their various services on their web sites.

5 ESTIMATION OF THE SIZE OF THE ORGANIC SECTOR

5.1 Size of organic sector at different levels of the certification chain

5.1.1. Response rate

To estimate the size of the organic certification sector in staff full time equivalents (FTE) 94 authorities and bodies in the 7 study countries were approached (14 competent authorities, 7 accreditation bodies, 2 control authorities, 66 control bodies and 5 standards owners) (see table 7). Of these, 12 competent authorities, 5 accreditation bodies, 26 control authorities and control bodies and 2 standards owners returned questionnaires with data on the number of staff in full time years (FTE). In total 49 questionnaires were returned corresponding to a response rate of 52 % (see table 23).

Table 23: Number of questionnaire responses on staff in full time years

Country:	Competent authority	Accreditation body	Control authority / Control body	Standards owner	TOTAL
CZ	1	1	2		4
DE	3	1	5		9
DK	2	-	2		4
IT	3	1	5		9
UK	1	0	4		5
CH	1	1	2	1	5
TR	1	1	10	1	13
TOTAL	**12**	**5**	**30**	**2**	**49**

5.1.2. Average number of full time hours per year

A few respondents gave the information on staff in full time years as a number of person days or hours or “Stellenprozent” (i.e. employment percentage), which made it necessary to

convert these working time units into staff FTE by means of the total hours worked divided by the average annual number of hours worked in full-time jobs within the countries in the year 2008 (ESA95, 1996).

In the questionnaire all respondents were asked to write how many working hours there were in a full time working year in their organisation in 2008. This was done, partly to check if the data looked reasonable and partly to be able to make recalculations, if some figures were expressed in other units.

Table 24 shows the number of organisations (competent authorities, accreditation bodies, control authorities, control bodies and standards owners), which answered the question on number of hours in a full time year, the interval of hours stated by the different respondents and a calculated average based on the answers received.

Table 24: Number of hours in a full time year for 2008, as estimated by the questionnaire respondents

Country	No. of organisations	Hours in a full time year/ (no. of responses)	Average
CZ	4	2024/ (3)	2,024
DE	7	1,709-2,500 / (6)	1,882
DK	4[1]	1,650 / (4)	1,650
IT	9	1,760-2,496 / (9)	1,932
UK	9	1,650-1,800 / (8)	1,687
CH	5	1,850-2,040 / (4)	1,956
TR	13	1,600-2,241 / (13)	1,962

1: The competent authorities and control authorities are the same.

To check the correctness of the annual working hours for full time employed staff stated by the respondents, the internet was searched for statistical information on the average number of hours in a full time working year in the 7 countries. In table 25 the average number of hours in a full time working year for the 7 countries according to different statistics sources is compared with the average number of hours estimated by the respondents in table 24.

Table 25: Average annual number of working hours in 2008 according to different sources

	CZ	DE	DK	IT	UK	CH	TR
Table 24 averages	2,024	1,882	1,650	1,932	1,687	1,956	1,962
EIROnline (2008)	1,710	1,651	1,628	1,680	1,696	1,926[1]	1,912[2]
OECD (2008)	1,942	1,430	1,570	1,807	1,652	1,640	1,918[1)]

1: Statistik Schweiz, 2010 (at 4 weeks of holidays and 40 hours/week)
2: Uysal and Abay (personal communication, December 2010)

As EUROSTAT has not published statistical information on the number of hours in a full time working year, other sources were checked. The European Industrial Relations Observatory online - EIROnline (2008) has published data on annual working time for the 5 EU countries based on collectively agreed normal annual working time, while OECD (2008) has published statistical data on average annual hours per worker for all 7 study countries. The OECD data includes both overtime and sick days in the annual hours worked for which reason this figure may not be so relevant for this purpose. The EIROnline data for 2008 for the 5 EU countries was based on 52 weeks (260 days), while 2008 in fact had 262 working days. However, it was decided to use the EIROnline data for the correction of the full time years reported by the respondents as a best average estimate for the 5 EU countries. For Switzerland statistical information on the annual average working hours in 2008 was based on Statistik Schweiz (2010) as published on their web site (November, 2010). For Turkey it was not possible to find any figures for the average number of annual working hours. According to Abay and Uysal (personal communication, December 2010) the number of working hours was 1912 hours in 2008 ((365 days - 104 weekend days – 12 days for "official holidays in 2008 – 10 days of annual leave) x 8 hours/day), and this figure was used. The figures on full time years spent on organic control for the various respondents were then adjusted accordingly.

Not all competent authorities in Germany and Italy were included in the questionnaire survey and some of the competent authorities and control bodies approached in the survey did not respond (see table 24). Therefore a scaling up of the number of staff in full time equivalents (FTE) was made for these categories based on the number of calculated full time years for the respondents in each category, the number of operators serviced by them and the total number of operators in each country. (In Annex III detailed calculations of the staff in FTE for the responding authorities and bodies in the 7 countries are enclosed). As concerns the accreditation bodies, there were responses on this issue from Germany and the United Kingdom, and in Denmark no accreditation body is involved because organic governmental control authorities do not have to be accredited. Based on so little information it was not possible to make a scaling up of the staff FTE spent by the accreditation bodies for accreditation of organic control bodies, for which reason only the ones which did respond, were included in the total estimate for the 7 countries. The standards owners were left out of the calculation of the staff FTE spent in the 7 countries in 2008 because the 15 private standards owners in the EU countries were not included in the survey, and in Switzerland only 1 out the 3 private and 1 public standards owner responded. With the above mentioned limitations, table 26 shows the estimated number of staff in FTE employed in the organic certification sector in the 7 countries.

Table 26: Estimated number of staff FTE spent on organic control in 2008 in the 7 study countries

Country:	Competent authority	Accreditation body	Control authority/Control body	TOTAL
CZ	6	1	17	24
DE	20	-	111	131
DK	25	-	18	43
IT	77	1	191	269
UK	7	-	123	130
5 EU COUNTRIES	**135**	**2**	**460**	**597**
CH	3	1	42	46
TR	13	5	17	35
TOTAL	**151**	**8**	**519**	**678**

The staff FTE in table 26 are for the implementation of the EC 834/2007 and EC 889/2008 in the EU countries and for implementation of the national regulation in Switzerland and Turkey, which means that working time spent on control according to private standards, standards outside Europe or organic import/export was not included in the calculation. Therefore the estimates in table 26 are considered to be conservative.

In total 679 staff FTE were spent on organic control in the 7 study countries in 2008, of which 151 were spent by competent authorities and 519 were spent by control authorities and control bodies. Of these the 5 EU countries spent 597 staff FTE (135 by the competent authorities and 460 by the control authorities and control bodies).

In 2008 there were about 197,000 organic farms and about 33,800 organic processors in the EU-27 giving a total of 230,800 organic operators (EC, 2010a). In the 5 EU study countries there were about 93,173 organic operators (see table 27) corresponding to about 40 % of all operators in EU-27.

Making a scaling up from the 135 staff full time years spent by the competent authorities in the 5 EU countries, the number of staff FTE spent on organic control by the competent authorities in the EU-27 can be estimated to about 338. This may be an overestimated figure, because both Germany and Italy have many regional authorities involved in the organic control supervision, while most of the 22 EU countries, which were not involved in this study, have only 1 or 2 competent authorities. On the other hand, there are no figures available for the staff FTE spent by the accreditation bodies, so the figure of 338 staff FTE is probably a reasonable estimate for the competent authorities and accreditation bodies in the EU-27.

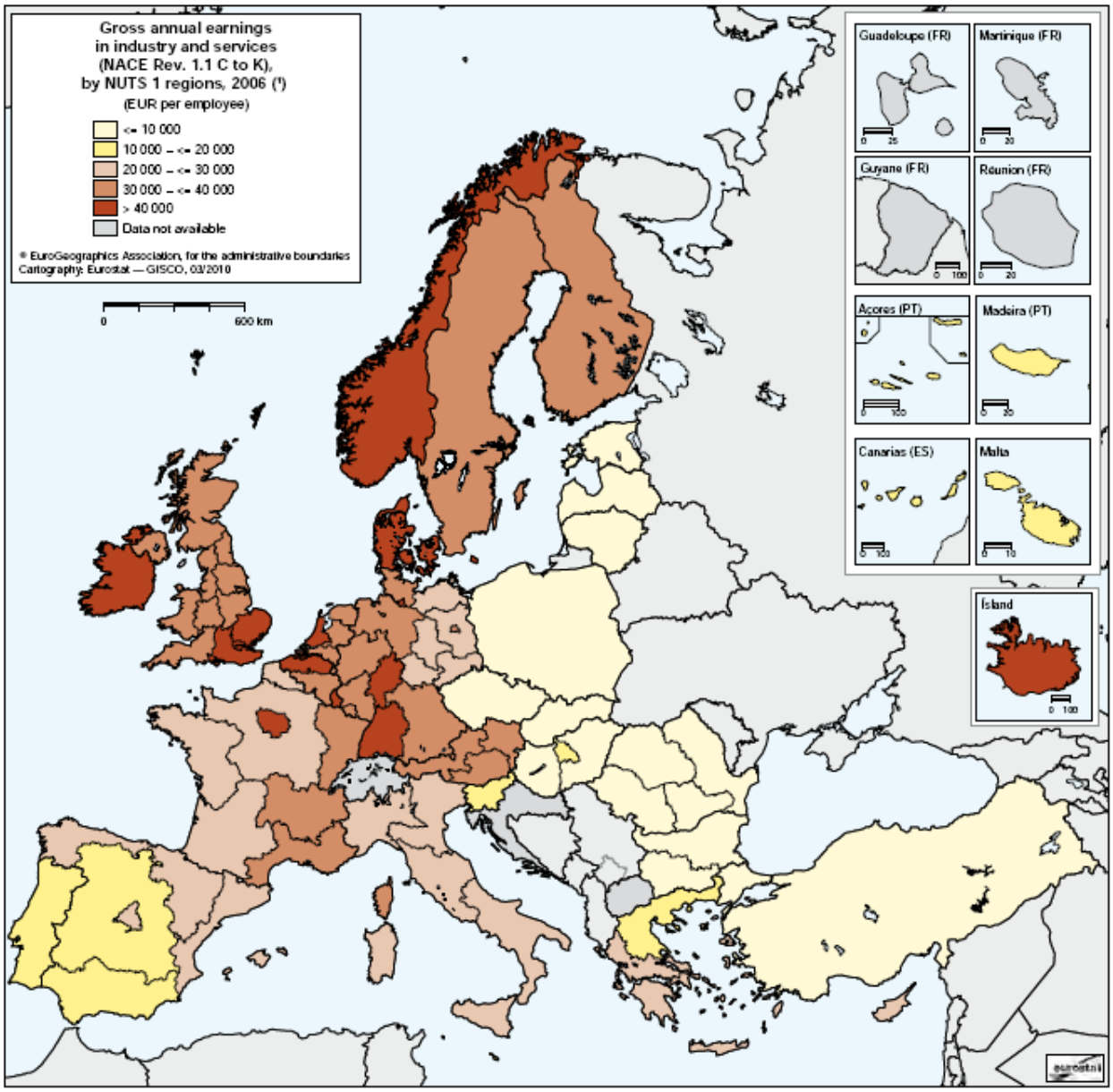
As concerns the control authorities and control bodies in the 5 EU countries a similar scaling up of the 460 control authorities and control bodies results in 1150 staff full time years for EU-27. **Therefore, an estimated total of about 1500 staff FTE were spent by competent authorities, accreditation bodies, control authorities and control bodies on organic control in the 27 EU countries in 2008.** The figure is probably a conservative estimate, because the workforce of the accreditation bodies, control bodies and standards owners involved in accreditation, control and licensing according to private standards and standards outside the EU were not included, and work spent on import and export control was not included either.

Using an average figure for the annual wages in EU-27 the workforce of the certification sector can be estimated in EURO as follows. According to EUROSTAT (2010a) the average gross annual earnings in EU-27 amounted to 31,300 € and in EU-15 to 36,100 € in 2006, while in some regions of the East-European countries and Turkey it was down to or below 10,000 € (see figure 3). The organic sector is much more developed in the “old EU countries” (EU-15), where more than 83 % of the organic farmers of the EU-27 are located (EC, 2010b), and the percentage of organic processors in EU-15 is probably even higher. Therefore, average annual earnings of about 25,000-35,000 € for the organic certification sector employees are considered reasonable for calculation of the estimated cost of the workforce in EU-27. With 1500 employees the cost of the workforce of the organic certification sector in EU-27 is estimated to about 35-55 million €. Besides the staff wages there are other fixed and variable costs plus overhead, which means that the annual turnover of the competent authorities, accreditation bodies, control authorities and control bodies in the EU-27 was probably at least around 70-110 million € in 2008.

In Switzerland the annual gross earnings were about 46,000 € in 2006 (EUROSTAT 2010a). Using this figure the estimated earnings of the workforce (46 FTE) in the organic certification sector (excl. private organic standards owners) were at least 2 million € in 2008, and the annual turnover of the organic certification chain was probably at least 4 million €.

In 2006 the average gross annual earnings in Turkey were about 10,000 € (EUROSTAT, 2010b). Using this figure the estimated earnings of the workforce (35 FTE) in the organic

certification sector were at least 350,000 € in 2008, and the annual turnover of the organic certification chain was probably at least 700,000 €.



(1) Poland, Sweden Turkey and Norway, national level; Iceland, only NACE sections D, F, G, I and J; départements d'outre-mer (FR9), not available.

Source: Eurostat (earn_ses06_26).

Figure 3: Mean gross annual earnings for full time employees in industry and services, EUROSTAT (2010b)

(Gross annual earnings are wages and salaries in cash paid directly to the employee before any deductions for income tax and social security contributions paid by the employee).

Table 27 shows an estimate of the number of staff in full time equivalents (FTE) and the number of operators per full time employee for the competent authorities (central and

regional) and the control authorities / control bodies in the 7 study countries (see also Annex III).

For the competent authorities the average number of operators per full time employee varies between 152 in Denmark to 3185 in Switzerland, when ignoring the figure of 7411 for the Italian Ministry, which delegates the supervision of the organic certification system to the regional authorities. For the control authorities and control bodies in the EU the average number of operators per full time employee varies between 61 in the United Kingdom and 263 in Germany. In Turkey the average is even higher (600 operators per staff FTE), perhaps due to the use of group certification. The maximum number of operators per staff FTE differs substantially between control bodies and countries. In Germany there is a control body that has 384 operators per staff FTE and in Turkey there is a control body that has even 1450 operators per staff FTE, but that may be because of group certification. In the United Kingdom the control bodies have considerably less operators per staff FTE (40-91) than in any of the other countries. Whether this means better service and control cannot be said, but this will be investigated in other parts of the CERTCOST project.

Table 27 Number of staff in FTE (full time equivalents, operators, and operators per full time employed staff for competent authorities, control authorities and control bodies in 7 countries

Country:	Respondents	Operators	Staff in FTE	Min –Max no. of operators /Full time staff	Average no. of operators / Full time staff	Total operators in the country
CZ	CA	2,585	6	431	431	2,585
	2 CB	2,041	13	93-234	157	
DE	3 RCA	9,888	7	316-1,984	1,413	29,244
	5 CB	8,081	31	190-384	263	
DK	2 CA	3,794	25	126-366	152	3,794
	2 CAU	3,794	18	196-254	207	
IT	FCA	49,654	7	7,411	7,411	49,654
	2 RCA	5,660	8	590-856	708	
	5 CB	33,575	129	127-352	259	
UK	CA	7,896	7	1,161	1,161	7,896
	5 CB	7,474	123	40-91	61	
EU						93,173
CH	CA	7,963	3	3185	3,185	7,963
	CB	7,800	41	181-240	189	
TR	CA	14,926	13	1,175	1,175	14,926
	CB	10,026	17	39-1,450	600	

5.2 Discussion on the estimation of the organic certification sector

An objective of this report was to give an estimate of the size of the organic certification sector in the EU (competent authorities, accreditation bodies, control authorities, control bodies and standards owners) expressed in staff FTE, because at the moment there are no reliable figures for the size of this sector in the EU and Europe.

In this study it was estimated that in total 679 staff FTE were spent on organic control in the 7 study countries in 2008, of which 151 were spent by competent authorities and 519 were spent by control authorities and control bodies. Of these the 5 EU countries spent 597 staff FTE (135 FTE by the competent authorities and 460 FTE by the control authorities and control bodies). Based on this information and a scaling up based on the number of operators in the study countries and in the EU-27 it was estimated that about 1500 staff FTE were spent by competent authorities, accreditation bodies, control authorities and control bodies on organic control in the 27 EU countries in 2008. The figure may be conservative, because the workforce of the accreditation bodies, control bodies and standards owners involved in accreditation, control and licensing according to private standards and standards outside the EU were not included, and work spent on import and export control was not included either.

With 1500 employees the cost of the workforce of the organic certification sector in the EU-27 was estimated to about 35-55 million €. Besides the staff wages there are other fixed and variable costs plus overhead, which means that the annual turnover of the competent authorities, accreditation bodies, control authorities and control bodies in the EU-27 was probably at least around 70-110 million € in 2008. In Switzerland the 46 staff full time years in the organic certification sector corresponded to at least 2 million € in 2008, and the annual turnover of the organic certification sector was probably at least 4 million €. In Turkey the 35 staff full time years corresponded to at least 350,000 € in 2008, and the annual turnover of the organic certification chain was probably at least 700,000 €.

As far as is known, the only studies which have been carried out to estimate the organic certification sector before this study, are the ones by Rundgren (2001) and TOS (2009), which were described in detail in Section 1.1. In TOS (2009) it was estimated that the global annual turnover for organic control would be clearly above 200 million € and perhaps even the double amount. 400 million € would represent about 1 % of the estimated market value of organic products or less than 300 € per farmer. The calculation of the turnover for organic control was based on estimates of a business turnover of about 3 % at farm level and 1 – 2 % in the following steps of handling and processing of organic food products or 1.5 % of the global retail value. The results were based on a global survey with 80 control bodies of which 18 responded and of these only 6 were from Europe. Based on these estimates and the organic retail market value for Europe in 2006, Zorn et al. (2009) calculated the organic control costs for Europe to more than 200 million € in 2006.

While Rundgren (2001) and TOS (2009) only estimated the turnover of the control bodies, this study also included competent authorities, accreditation bodies, control authorities and control bodies. (Standards owners and some accreditation bodies were left out due to too few responses or lack of information in the returned questionnaires). In total 49 authorities and bodies in the 7 study countries responded, of which 12 competent authorities, 5 accreditation bodies, 2 control authorities, 28 control bodies and 2 standards owners. Therefore this study gives a better basis for calculation of the organic certification sector size in the EU in staff FTE and workforce costs. Besides, the calculations are based on the actors' own assessment of staff time spent on implementation and control of the organic regulation EC 834/2007 in the 5 EU countries (the Czech Republic, Denmark, Germany, Italy and the United Kingdom) and the national organic regulations in Switzerland and Turkey, instead of indirect assessments of the turnover of the control bodies based on percentages

of business turnover at the farm, processor and/or retail level. The estimated organic certification sector turnover in this study of 70-110 million € for EU-27 is about half the estimate made by Zorn et al. (2009) for Europe based on the study made by Rundgren (2001).

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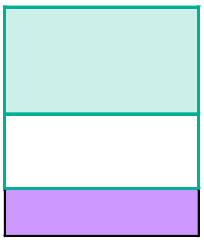
ANNEX I



A green shaded cell (with a green, orange, or purple frame) should be filled in for the partner countries. Relevant information for task 1.1 will automatically be copied to the spreadsheets with the suffix _sumT1.1. The different colours of the frame are for internal use only.

A cell which is not shaded, but only has a green frame does not have to be filled in. It is only there to assist in collecting information for a "total" in a green shaded cell above

The purple markings are for internal use only

Questionnaire for Competent Authorities

Name of the authority/body				
Contact person (name, function, phone, email)				
Cost categories				
Cost sub-categories				
Cost items		**Unit of measurement**		**Comments**
Size of the competent authority				
Number of organic enterprises operating in the authority's area of responsibility (deadline: 31.12.2008); double counting possible, please indicate if so				
Farms		No.		
Processors		No.		
Importers		No.		
Others		No.		
Costs for implementing and further developing the EU regulation 834/2007 [for cert. System II and III in the DoW: needs to be specified particular certification systems analysed]				
What costs are involved in implementing the EU regulation 834/2007? Consider both working time and other costs!		€		
Working time involved in different parts of implementing the EU regulation 834/2007:		total working time in fulltime years		
National / Regional implementation of EU regulation and its amendments		total n. of employees in fulltime years		
Approval of other standards		total n. of employees in fulltime years		
Approval of control bodies		total n. of employees in fulltime years		
Statistics and Reporting		total n. of employees in fulltime years		
Supervision of control bodies		total n. of employees in fulltime years		
Approval of conventional inputs / exemptions		total n. of employees in fulltime years		
Costs involved in different parts of implementing the EU regulation 834/2007:		€		
Management or costs for organic seeds data base		€ - or - total n. of employees in fulltime years		
Other costs than staff; Overhead		€		
What costs are involved in contributing to the further development of the EU regulation 834/2007 and its amendments?		€		
Think of the time involved in expert work for discussing possible amendments and further development of the EU regulation? E.g. adivising the minister, substantial work, attending hearings,…		total n. of employees in fulltime years		
Other costs than staff		€		

ANNEX I: QUESTIONNAIRE FOR CONTROL AUTHORITIES / CONTROL BODIES

Costs for managing imports				
	How much time is involved in managing imports of organic products from other countries?	total n. of employees in fulltime years		
	What costs are involved in managing imports of organic products from other countries?	€		
Costs for further developing the organic standard [needs to be specified particular certification systems analysed]				
	Total costs for further developing the standard (including working time)	€		
	Total working time involved in further developing the standard	Sum of all working time		
	How much time do employees spend on further developing the standard?	total n. of employees in fulltime		
	Which are the responsible committees in the organisation in charge of further developing the standard?	free text		
	How many persons are a member of these panels?	n.		
	How much time do they spend per year (on average) for attending the panels, and for preparatory work? - Not the employees!	time spent by each employeee/member of the		
	Are there paid experts who contribute to developing the standard? If yes, at what cost per	€		
	What other costs are involved in such panels (e.g. travel costs, compensations for meetings etc.) Please specify the type of cost, and indicate the total costs for all panels	€		
Quality and efficiency of the system				
	Do you ever accompany inspectors of the control bodies operating in your area of responsibility? If yes, how many controls did you accompany in 2008?	total n. of controls accompanied (all control bodies)		
	How do you assess the current system of organic certfication and accreditation? Please indicate your assessment according to the following descriptives. 1 means a low rating, 5 a high rating			
	costs for staff and other expenses	1(low) - 5(high)		
	comprehensibility for all stakeholders involved in the system	1(low) - 5(high)		
	ability to detect irregularities and fraud	1(low) - 5(high)		
	Indicate the top 5 issues you consider relevant to increase the efficiency of the system of organic certification and accreditation			
		1.		
		2.		
		3.		
		4.		
		5.		
Additional information, costs for labour				
	Annual report of 2008	link or pdf file		
	Average annual salary of a person working at the competent authority (can be specified according to different tasks if suitable)	€		
General Information on employment				
	How many hours are a "fulltime year" in your organisation (excl. holidays and weekends)?	hours:		
	Estimated average salary for employees working on organic certification issues in your organisation:	€		

Questionnaire for Accreditation Bodies

Name of the authority/body			
Contact person (name, function, phone, email)			
Cost categories			
Cost sub-categories			
Cost items	**Unit of measurement**		**Comments**
General Information on the accreditation body			
Accreditation schemes offered in the country for bodies certifying according to organic standards (select appropriate):	General comments in this row if needed		
ISO 65/EN 45011 with scope: EC 834/2007	"X"		
ISO 65/EN 45011 with scope: National regulation other than EC 834/2007	"X"		
ISO 65/EN 45011 with scope: Private European standards	"X"		
IFOAM accreditation (by IOAS)	"X"		
Combinations of above or ISO 65 accreditation with scope: "Other organic standards". Please specify in the column "comment"	"X"		
Types and numbers of control bodies accredited	General comments in this row if needed		
Number of organic control authorities/control bodies accredited operating at the national level only	n.		
names of organic control authorities/control bodies accredited, operating at the national level only.	n.		
Number of nationally and internationally operating organic control bodies accredited	n.		
names of nationally and internationally operating organic control bodies accredited	n.		
Number of regionally (e.g. Länder or provinces) operating organic control bodies accredited	n.		
Names of regionally operating organic control bodies accredited	n.		
Costs and time for accreditation			
How much time is involved in organic accreditation according to ISO65/EN45011 with scope [EU organic regulation]?			
Control on-site (inspection visit)	total n. of employees in fulltime years		
Preparation and post-processing by qualified personnel and administrative staff	total n. of employees in fulltime years		
What is the turnover of the accreditation body for organic accreditation according to ISO65/EN45011 with scope [needs to be specified according to the different certification systems analysed]?	€		
What share of the total turnover of the accreditation body is this turnover for organic accreditation?	%		
Fees for accreditation for 3 model control bodies			
A. Certification body with, operating only in its own country, no further critical location, up to 6 staff members, maximum 500 operators			
Price for first time accreditation:	€		
Annual fee for maintenance of accreditation:	€		
B. Certification body, with offices in its own country and two foreign countries, no further critical location, up to 12 staff members, with about 5000 operators			
Price for first time accreditation:	€		
Annual fee for maintenance of accreditation:	€		
C. Certification body, with offices in its own country and ten foreign countries, of which 2 critical locations, up to 50 staff members, with about 10000-20000 operators			
Price for first time accreditation:	€		
Annual fee for maintenance of accreditation:	€		
Other Income			
Are there subsidies from the state?	YES - or - No		
If yes, please specify	€ and explanation		
Are there other forms of income than from accreditation activities that support the costs for accreditation?			
Quality and efficiency of the system			
How do you assess the current system of organic certfication and accreditation? Please indicate your assessment according to the following descriptives. 1 means a low rating, 5 a high rating			
costs for staff and other expenses	1(low) - 5(high)		
comprehensibility for all stakeholders involved in the system	1(low) - 5(high)		
ability to detect irregularities and fraud	1(low) - 5(high)		
Indicate the top 5 issues you consider relevant to increase the efficiency of the system of organic certification and accreditation			
1.			
2.			
3.			
4.			
5.			
General Information on employment			
How many hours are a "fulltime year" in your organisation (excl. holidays and weekends)?	hours:		
Estimated average salary for employees working on organic certification issues in your organisation:	€		

Questionnaire for Control Authorities / Control Bodies

Cost categories / Cost sub-categories / Cost items	Unit of measurement		Comments from the interviewee
Name of the authority/body			
Contact person (name, function, phone, email)			
General information on the control body			
How many enterprises do you control according to the European organic standards (private, state, EU)?			
Total operators (can be less than the sum of the different types due to combined activities); deadline 31.12.2008:	No.		
Farms:	No.		
Processors	No.		
Importers	No.		
Others:	No.		
Is the control body accredited for other scopes within the ISO65/EN45011 in addition to the [EU organic regulation]	Yes/No		
What is the turnover of the control body for organic control in the country?	€		
What share of the total turnover of the control body is this turnover for organic control according to ISO65/EN45011 with scope [EU 834/2007]?	%		
Is the accreditation of a parent company being used?	Yes/No		
Start year for doing organic certification and/or inspection			
Accredited according to:			
ISO 65/EN45011 with scope: EU 834/2007			
ISO 65/EN45011 with scope: National organic regulation other than EU 834/2007			
ISO 65/EN45011 with scope: Private European organic standards			
IFOAM accreditation			
Combinations of above or ISO 65 accreditation with scope: "Other organic standards"			
N/A			
Comments if relevant. Especially if combinations or scope "other organic standards" is chosen			
Control Authority/ control body accredited by?			
Number of European organic standards (e.g. EU, AB France, Bioland, Bio Suisse,...) according to which the control authority/body offers certification (and inspection) in the country	No. of standards certified/No. of standards only inspected		
Titles of European organic standards (e.g. EU, AB France, Bioland, Bio Suisse,...) for which certification and inspection is offered in the country.			
Titles of European organic standards (e.g. EU, AB France, Bioland, Bio Suisse,...) for which only inspection is offered in the country.			
Comments on the system for certification and/or inspection in the country			
Titles of non-European standards for which certification and inspection is offered in the country.			
Brief overview of certification and inspection activities outside Europe (incl. organic standards, for which certification and/or inspection is offered)			
Names of other European countries (than the country concerned), where the control authority/body is operating			
Costs for accreditation EN 45011			
First Time accreditation according to ISO65/EN45011 for scope [EU 834/2007]			
Fee	€		
Other costs	€		
Total time involved in first-time accreditation process, if suitable including mandatory setting up of a quality management system (can be an estimate!). Please think of	total time in fulltime years		
Employees	total n. of employees in fulltime years		
Consultants	total n. in fulltime years		
Others (specify)	total n. in fulltime years		
Annual costs for accreditation in 2008			
Fee	€		
Other costs	€		
Total time involved in annual accreditation process (can be an estimate!). Please think of:	total time in fulltime years		
Employees	total n. of employees in fulltime years		
Consultants	total n. in fulltime years		
Others (such as costs and time for staff training, or specify)	total n. in fulltime years		
Total time and costs for controls			
Total working time spent for controlling all operators according to the [EU organic regulation] (all types of controls added up)	total time in fulltime years		**Expected trend**
Control on-site (inspection visit)	total time in fulltime years		
Preparation and post-processing (including withdrawals etc.) by qualified personnel	total time in fulltime years		
Preparation and post-processing (including withdrawals etc.) by administrative staff	total time in fulltime years		
Carrying out or managing lab analysis of samples taken	total time in fulltime years		
Customer support during the year	total time in fulltime years		
How do you think the total working time spent for controlling will develop in future? Please indicate in the column "expected trend"	+ / - / = for increase, decrease, unchanged		
Other costs than staff: analysis of samples, overhead, etc.	€		

ANNEX I: QUESTIONNAIRE FOR CONTROL AUTHORITIES / CONTROL BODIES

General certification fee structure				
	Certification fees and inspection fees for organic farmers in the country	Translate most important information		
	Certification fees and inspection fees for organic processors in the country	Translate most important information		
	Certification fees and inspection fees for other organic operators in the country	Please specify "other" and translate most important information.		
	Links to price lists for certification and inspection services if publicly available.	http links or pdf file attached		
Costs of control for model farm A: 50ha arable farm (cereals), no livestock				
	What are the total costs (costs for staff and others) for one control?	€		
	How much time is involved in :			
	Control on-site (inspection visit)	hours per control		
	Preparation and post-processing by qualified personnel	hours per control		
	Preparation and post-processing by administrative staff	hours per control		
	Carrying out or managing lab analysis of samples taken	hours per control		
	Handling sanctions, withdrawal etc.	hours per control		
	Customer support during the year	hours per control		
	Other costs than staff; overhead	€		
Costs of control for model farm B: 50ha dairy farm, with 50 dairy cows, including 10ha arable crops				
	What are the total costs (costs for staff and others) for one control?	€		
	How much time is involved in :			
	Control on-site (inspection visit)	hours per control		
	Preparation and post-processing by qualified personnel	hours per control		
	Preparation and post-processing by administrative staff	hours per control		
	Carrying out or managing lab analysis of samples taken	hours per control		
	Handling sanctions, withdrawal etc.	hours per control		
	Customer support during the year	hours per control		
	Other costs than staff; overhead	€		
Costs of control for model farm C: 10ha vegetables				
	What are the total costs (costs for staff and others) for one control?	€		
	How much time is involved in :			
	Control on-site (inspection visit)	hours per control		
	Preparation and post-processing by qualified personnel	hours per control		
	Preparation and post-processing by administrative staff	hours per control		
	Carrying out or managing lab analysis of samples taken	hours per control		
	Handling sanctions, withdrawal etc.	hours per control		
	Customer support during the year	hours per control		
	Other costs than staff; overhead	€		
Costs of control for model processor A: oil mill (olive, rapeseed, or other), 100% organic production, 100.000t raw material processed per year				
	What are the total costs (costs for staff and others) for one control?	€		
	How much time is involved in :			
	Control on-site (inspection visit)	hours per control		
	Preparation and post-processing by qualified personnel	hours per control		
	Preparation and post-processing by administrative staff	hours per control		
	Carrying out or managing lab analysis of samples taken	hours per control		
	Handling sanctions, withdrawal etc.	hours per control		
	Customer support during the year	hours per control		
	Other costs than staff; overhead	€		
Costs of control for model processor B: Flour mill with 10% organic production, and a total of 100.000t flour produced per year				
	What are the total costs (costs for staff and others) for one control?	€		
	How much time is involved in :			
	Control on-site (inspection visit)	hours per control		
	Preparation and post-processing by qualified personnel	hours per control		
	Preparation and post-processing by administrative staff	hours per control		
	Carrying out or managing lab analysis of samples taken	hours per control		
	Handling sanctions, withdrawal etc.	hours per control		
	Customer support during the year	hours per control		
	Other costs than staff; overhead	€		
Total time for other work				
	How much time does the control body use (in total) to stay informed about changes in the organic standards?	total time in fulltime years		
	How much time is spent on interaction with the competent authorities?	total time in fulltime years		
	Only for CH and UK: How much time is spent on interaction with the private organic standard holde	total time in fulltime years		
Other Income				
	Are there subsidies to the control body from the state/regional authorities?	YES - or - No		
	If yes, please specify	€ and explanation		
Additional information on the control and certification system				
	Total Frequency of controls in 2008			**Expected trend**
	Control of farms (all types of control; double counting possible)	average controls per operator in 2008		
	Control of processors (all types of control; double counting possible)	average controls per operator in 2008		
	Control of Importers (all types of control; double counting possible)	average controls per operator in 2008		
	Control of other operators (all types of control; double counting possible)	average controls per operator in 2008		

ANNEX I: QUESTIONNAIRE FOR CONTROL AUTHORITIES / CONTROL BODIES

	How do you think the frequency of controls will develop in future? Please indicate in the column "expected trend"	+ / - / = for increase, decrease, unchanged		
	Are there particular types of operators/ branches that you control more often than others? If yes, which ones?	list operator types that are controlled more often		
	Controls			**Expected trend**
	Total number of lab analysis carried out or commissioned	total n.		
	Number of lab analysis carried out or commissioned with positive tested samples	total n.		
	How do you think these numbers will develop in future? Please indicate in the column "expected trend"	+ / - / = for increase, decrease, unchanged		
	Are there any inspections that are accompanied by either a person from another control body or a person from a supervising body? If yes, what is the frequency of such accompanied controls?	n. per inspector and year		
	Amount of unannounced controls			
	Control of farms	n. or % of all controlled enterprises		
	Control of processors	n. or % of all controlled enterprises		
	Control of Importers	n. or % of all controlled enterprises		
	Control of other operators	n. or % of all controlled enterprises		
	Entry and Leaving of operators in one year (2008)			
	N. of new operators contracting the control body	n.		
	N. of operators voluntarily leaving the control body	n.		
	Was 2008 an average year or a particular year in terms of entry and leaving of operators?	Text		
	N.of operators from which the organic certificate is withdrawn	n.		
	N.of operators from which the organic certificate for single lots or plots is withdrawn	n.		
	Was 2008 an average year or a particular year in terms of withdrawals of certficates?	Text		
	Training of Staff			
	Frequency of control visits that are accompanied by another inspector from the control body	per inspector in 2008		
	Number of training days per year for the staff*	n. of days offered to the staff in 2008		
	Estimated number of training days attended by an inspector per year*	n. of days attended per inspector in 2008		
	* Or: Total expenditures for training of staff in 2008	€		
	Qualification of inspectors			
	Years working in the control and certification business - average of the inspectors	n. of years		
	Years working for the specific control body - average of the inspectors	n. of years		
	Number of controls per inspector in one year	average number		
	Number of years that one inspector controls the same operator (in a row)	average number		
	What is the share of free lance inspectors?	% of all inspectors working for the control body		
	What is the share of free lance inspectors in all controls?	% of all inspectors doing controls		
Quality and efficiency of the system				
	How do you assess the current system of organic certfication and accreditation? Please indicate your assessment according to the following descriptives. 1 means a low rating, 5 a high rating			
	costs for staff and other expenses	1(low) - 5(high)		
	comprehensibility for all stakeholders involved in the system	1(low) - 5(high)		
	ability to detect irregularities and fraud	1(low) - 5(high)		
	Indicate the top 5 issues you consider relevant to increase the efficiency of the system of organic certification and accreditation			
	1.			
	2.			
	3.			
	4.			
	5.			
General Information on employment				
	How many hours are a "fulltime year" in your organisation (excl. holidays and weekends)?	hours:		
	Estimated average salary for employees working on organic certification issues in your organisation	€		

Questionnaire for Standards Owners

Name of the standard owner				
Contact person (name, function, phone, email)				
Cost categories				
	Cost sub-categories			
		Cost items	**Unit of measurement**	**Comments**
General information on the standard owner				
		Names of European countriesand/or regions where these organic standards are used	text	
		Total number of operators (incl. farmers) in European countries certified according to these organic standards	n.	
		Number of farmers certified according to these organic standards	n.	
		Number of processors certified according to these organic standards	n.	
General information and degree of innovation of the standard				
	Do you own organic standards covering the following scopes? If yes, since when?			
		Aquaculture	no - or - yes, since …	
		Forestry	no - or - yes, since …	
		Processing with detailed regulations on e.g. meat processing or others	no - or - yes, since …	
		Viticulture	no - or - yes, since …	
		Yeast products	no - or - yes, since …	
		Packing material	no - or - yes, since …	
		Others, please specify	text	
	Is a special licence fee claimed for the use of the logo (apart form the certification costs)?		yes - no	
	What ist the price of the licence fee for farmers?		€ or % of turnover	
	What ist the price of the licence fee for processors?		€ or % of turnover	
	What ist the price of the licence fee for others?		€ or % of turnover	
	Annual turnover related to claiming the licence fees		€	
	Please translate most important information on the various licence fees in the column "comment"		text in column "comment"	
	Link to public price lists, if available		http link	
Costs for implementing the organic standard				
	Total costs for implementing the standard (including working time)		€	
	Total working time involved in implementing the standard		total time in fulltime years	
		What are the costs for / How much time is involved in maintaining a data base on organic seeds?	total n. of employees in fulltime years or €	
		What are the costs for / How much time is involved in managing the list of allowable inputs?	total n. of employees in fulltime years or €	
		What are the costs for / How much time is involved in other activities connected with implementing the standard? Both external and internal!	total n. of employees in fulltime years or €	
		How much time is involved in defining and amending the sanction regulations?	total n. of employees in fulltime years	
		Are there other organisations or institutions involved in the process of sanctioning? If yes, how much time do they invest for carrying out this task?	total n. of employees in fulltime years	
		How much time is involved in preparing and sending statistical information and reports to the authorities / other relevant institutions?	total n. of employees in fulltime years	
Costs for further developing the organic standard [needs to be specified particular certification systems analysed]				
	Total costs for further developing the standard (including working time)		€	
		Total working time involved in further developing the standard	Sum of all working time involved (multiply no. of persons by the average time spent)	
		How much time do employees spend on further developing the standard?	total n. of employees in fulltime years	
		Which are the responsible committees in the organisation in charge of further developing the standard?	free text	
		How many persons are a member of these panels?	No.	
		How much time do they spend per year (on average) for attending the panels, and for preparatory work? - Not the employees!	time spent by each employeee/member of the organisation involved in these tasks	
		Are there paid experts who contribute to developing the standard? If yes, at what cost per year?	€	
		What other costs are involved in such panels (e.g. travel costs, compensations for meetings etc.) Please specify the type of cost, and indicate the total costs for all panels	€	
Costs for mutual acceptance and re-certification				
	How many mutual acceptances exist?		n.	
	How much time is involved in procedures of mutual acceptance and re-certification of other standards?		total n. of employees in fulltime years	
	How much time is involved in managing imports of organic products from other countries?		total n. of employees in fulltime years	
Other Income				
	Are there subsidies from the state?		YES - or - No	
		If yes, please specify	€ and explanation	

ANNEX I: QUESTIONNAIRE FOR CONTROL AUTHORITIES / CONTROL BODIES

Quality and efficiency of the system				
	How do you assess the current system of organic certfication and accreditation? Please indicate your assessment according to the following descriptives. 1 means a low rating, 5 a high rating			
		costs for staff and other expenses	1(low) - 5(high)	
		comprehensibility for all stakeholders involved in the system	1(low) - 5(high)	
		ability to detect irregularities and fraud	1(low) - 5(high)	
	Indicate the top 5 issues you consider relevant to increase the efficiency of the system of organic certification and accreditation			
		1.		
		2.		
		3.		
		4.		
		5.		
General Information on employment				
	How many hours are a "fulltime year" in your organisation (excl. holidays and weekends)?		hours:	
	Estimated average salary for employees working on organic certification issues in your organisation:		€	

ANNEX II

FARM AND PROCESSOR CASES

ANNEX II: FARM CASES

FARM CASES: Czech Republic

	Case farm A: 2 CBs				**Case farm B**: 2 CBs				**Case farm** C: 2 CBs			
CZ	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1	55	4.5	10	10	75	6	11	10	125	11.5	10	10
CB2	76.6	6	8	28.6	84.6	7	8	28.6	92.6	8	8	28.6
Average	**65.8**	**5.3**	**9**	**19.3**	**79.8**	**6.5**	**9.4**	**19.3**	**108.8**	**9.75**	**9**	**19.3**
Interval	**55-77**	**4.5-6**	**8-10**	**10-29**	**75-85**	**6-7**	**8-11**	**10-29**	**93-125**	**8-11.5**	**8-10**	**10-29**

FARM CASES: Germany

	Case farm A: 3 CBs				**Case farm B**: 3 CBs				**Case farm C**: 3 CBs			
DE	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1	390	4.6	71.7	60	350	4.2	70.2	55	520	6.8	67.6	60
CB2												
CB3							5.4					
CB4	-	6										
CB5	260	4.9	53.3		350	5.4	65.2		300	4.9	61.5	
CB6	400	3	133.3		400	3	133.3		440	3.5	125.7	
Average	**350**	**4.2**	**86**		**367**	**4.2**	**91**		**420**	**5.1**	**85**	
Interval	**260-400**	**3-5**	**53-133**	**0-60**	**350-400**	**3 -5.5**	**65-133**	**0-55**	**300-520**	**3.5-7**	**62-126**	**0-60**

FARM CASES: Denmark

	Case farm A				Case farm B				Case farm C			
DK	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CA1	No info - free of charge				No info - free of charge				No info - free of charge			
CA2	No info - free of charge				No info - free of charge				No info - free of charge			

FARM CASES: ITALY

	Case farm A: 5 CBs				**Case farm B**: 5 CBs				**Case farm C**: 5 CBs			
IT	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1	141.7	6.5	21.8		375.0	18.4	20.4		375.0	18.4	20.4	
CB2	666.7	13.0	51.3		473.3	15.0	31.6		645.8	15.0	43.1	
CB3	208.3	6.5	32.1		250.0	10.0	25.0		258.3	11.0	23.5	
CB4	125.0	5.3	23.6		341.7	13.9	24.6		308.3	13.9	22.2	
CB5	166.7	5.5	30.3		291.7	11.0	26.5		287.5	10.5	27.4	
Average	**262**	**7.4**	**32**		**346**	**13.7**	**26**		**375**	**13.8**	**27**	
Interval	**125-667**	**5.5-13**	**22-51**		**250-473**	**10-18.5**	**20-32**		**258-646**	**10.5-18.5**	**20-43**	

FARM CASES: United Kingdom

	Case farm A: 4 CBs				**Case farm B**: 4 CBs				**Case farm C**: 4 CBs				
UK	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs	Av. annual exch. rate 2009 (ECB): 0.89094
CB1													
CB2	639.8	17.5	36.6		639.8	20.0	32.0		656.6	17.5	37.5		
CB3	583.7	14.4	40.5		583.7	14.4	40.5		488.3	14.4	33.8		
CB4	561.2				561.2				449				
CB5	521.9				521.9								
CB6	505.1	4.0	126.3		505.1	4.0	126.3		505.1	4.0	126.3		
CB7	555.6	8.0	69.4		555.6	10.0	55.6		454.6	8.0	56.8		
Average	**571**	**11**	**68**		**571**	**12.1**	**64**		**526**	**11**	**64**		
Interval	**505-640**	**4-17.5**	**37-126**		**505-640**	**4-20**	**32-126**		**455-657**	**4-17.5**	**38-126**		

FARM CASES: Switzerland

	Case farm A: 2 CBs				**Case farm B**: 2 CBs				**Case farm C**: 2 CBs				
CH	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs	Av. annual exch. rate 2009 (ECB): 1.5100
CB1	794.7	8.4	94.6		715.2	8.4	85.1		331.1	8.4	39.4		
CB2	1059.6	5.6	189.2		1291.4	5.6	230.6		1291.4	5.6	230.6		
Average	**927**	**7**	**142**		**1003**	**7**	**158**		**811**	**7**	**135**		
Interval	**795-1060**	**5.5-8.5**	**95-189**		**715-1291**	**5.5-8.5**	**85-231**		**331-1291**	**5.5-8.5**	**39-231**		

FARM CASES: Turkey

	Case farm A: 9 CBS				**Case farm B**: 7 CBs				**Case farm C**: 8CBs				
TR	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs	Comments: All excl. 18 % VAT
CB1	144.1	8.5	16.9		423.7	25	16.9		322	19	16.9		
CB2	220.3	35	3.4	101.7	326.3	49	4.6	101.7	344.9	61	4.0	101.7	
CB3	466.1	16	21.2	127.1	889.8	30	21.2	254.2	847.5	26.5	22.4	254.2	
CB4	508.5	26	14.0	144.1	614.4	24	19.6	144.1	508.5	22	16.6	144.1	
CB5	1271.2	19	66.9		1779.7	40	44.5		296.6	22	13.5		
CB6	508.5								508.5				
CB7	1059.3	21.8	48.6	2.5					847.5	17.75	47.6	2.5	
CB8	317.8	15	20.5	10.2	533	40	12.8	21.9					
CB9	1017	28	36.3		1017	28	36.3		847.5	20	42.4		
CB10	423.7	20	21.2						339	16	21.2		
Average	**603**	**21**	**27.7**	**48**	**798**	**34**	**25**	**75**	**544**	**25.5**	**25**	**63**	
Interval	**144-1271**	**8.5-35**	**3.4-67**	**0-144**	**326-1780**	**24-49**	**4.6-45**	**0-254**	**297-848**	**16-61**	**4-48**	**0-254**	

ANNEX II: PROCESSOR CASES

PROCESSOR CASES: Czech Republic

	Case processor D				Case processor E: 2 CBs			
CZ	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1					65.0	5	11	10
CB2					80.6	6.5	8	28.6
Average					**73**	**5.8**	**9**	**19.3**
Interval					**65-81**	**5-6.5**	**8-11**	**10-29**

PROCESSOR CASES: Germany

	Case processor D: 3 CBs				Case processor E: 3 CBs			
DE	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1	750	7.3	94.5	60	655	6.3	94.5	60
CB2								
CB3	-	9.5			-	6		
CB4					-	25		23.5
CB5	300	4.9	61.5		360	5.4	67	
CB6	455	4	113.8		615	6	102.5	
Average	**502**	**5.4**	**90**		**543**	**5.9**	**88**	
Interval	**300-750**	**4.0-7.5**	**62-114**	**0-60**	**360-655**	**5.5-6.5**	**67-103**	**0-60**

PROCESSOR CASES: Denmark

	Case processor D				Case processor E			
DK	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CA1	No info - free of charge				No info - free of charge			
CA2	No info – free of charge				No info - free of charge			

PROCESSOR CASES: Italy

	Case processor D: 4 CBs				**Case processor E**: 4 CBs			
IT	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1	141.7	6.5	21.8		258.3	2.3	112.3	
CB2								
CB3	333.3	12.0	27.8		333.3	12.0	27.8	
CB4	133.3	5.3	25.2		225.0	9.4	23.9	
CB5	291.7	5.3	55.0		291.7	5.3	55.0	
Average	**225.0**	**7.3**	**32.4**		**277.1**	**7.3**	**54.8**	
Interval	**133-333**	**5.5-12**	**22-55**		**225-333**	**2.5-12**	**24-112**	

PROCESSOR CASES: United Kingdom

	Case processor D: 0 CB				**Case processor E**: 2 CBs			
UK	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1								
CB2					875.5	18.5	47.3	
CB3					561.2	14.4	38.9	
CB4					701.5			
CB5								
CB6	615.1				615.1			
CB7		8				16.00		
Average					**718**	**16.5**	**43**	
Interval					**561-876**	**14.5-18.5**	**39-48**	

PROCESSOR CASES: Switzerland

	Case processor D: 1 CB				**Case processor E**. 1 CB			
CH	Total fee in €	Hours	Hourly rate in €	Other costs	Total fee in €	Hours	Hourly rate in €	Other costs
CB1		6.9						
CB2	828	5.3	158		762	5.3	145	
Average								
Interval								

PROCESSOR CASES: Turkey

	Case processor D: 8 CBs			
TR	Total fee in €	Hours	Hourly rate in €	Other costs
CB1	135.6	8	16.9	
CB2	220.3	35	3.4	101.7
CB3	127.1	7.5	5.6	84.8
CB4	847.5	19.5	33.6	211.9
CB5	508.5	25	20.3	
CB6	678			
CB7	635.6	17.8	35.7	2.5
CB8	529.7	25	20.3	21.2
CB9	847.5	20	42.4	
CB10				
Average	**481**	**20**	**22**	**53**
Interval	**136-848**	**7.5-19.5**	**3.4-42**	**0-212**

	Case processor E: 8 CBs			
	Total fee in €	Hours	Hourly rate in €	Other costs
	245.8	14.5	16.9	
	220.3	35	3.4	101.7
	190.7	16.5	1.3	169.5
	402.6	19.5	15.4	101.7
	508.5	25	20.3	
	678.0			
	635.6	17.8	35.7	2.5
	264.8	14.5	18.2	1.1
	847.5	20.0	42.4	
	415	**20.5**	**19**	**47**
	191-848	**14.5-35**	**1.3-42**	**0-170**

ANNEX III

CALCULATION OF STAFF IN FULL TIME EQUIVALENTS (FTE)

CZ	Staff in full time years	Respondents: Hours in full time year	EIROnline (2008): hours in full time year	Staff in full time years based on EIROnline (2008)	Operators	Operators /Full time staff
			1710			
CA	6.0			**6.0**	2585	431
AC	1.0	2024		**1.2**	2585	2154
CB1	5.0	2024		**5.9**	1379	234
CB2	6.0	2024		**7.1**	662	93
CZ respondents	18.0	2024		20.2		
3 CBs				16.5	2041	
CZ Total				**23.7**	**2585**	

DK	Staff in full time years	Respondents: Hours in full time year	EIROnline (2008): hours in full time year	Staff in full time years based on EIROnline (2008)	Operators	Operators /Full time staff
			1628			
CA1	22.5	1650		**22.8**	2878	126
CA2	2.5	1650		**2.5**	916	366
CAU1	14.5	1650		**14.7**	2878	196
CAU2	3.6	1650		**3.6**	916	254
DK Total				**43.6**	**3794**	

ANNEX III: CALCULATION OF STAFF IN FULL TIME EQUIVALENTS

DE	Staff in full time years	Respondents: Hours in full time year	EIROnline (2008): hours in full time year	Staff in full time years based on EIROnline (2008)	Operators	Operators /Full time staff
			1758			
RCA1	4.4			**4.4**	8731	1984
RCA2	1.5	[880]		**1.5**	936	624
RCA3	-	-			2444	
RCA4	0.7			**0.7**	221	316
RCA5					585	
RCA 3 länder				**6.6**	9888	1498
RCA 15 Länder				19.5	29244	1500
AC	-	1712		**-**		
CB1	17.0	1800		**17.4**	4800	276
CB2	825 h ~ 0.48 FTY	1709		**0.5**	95	190
CB3	1.6	1771		**1.6**	450	281
CB4	7.5	2500		**10.7**	2544	238
CB5	0.5	-		**0.5**	192	384
CB6	-	1800		**-**	6130	
5 CBs				**30.7**	8081	263
DE respondents				**37.3**		
22 CBS				**111.0**	29244	
DE Total				**130.5**	**29244**	

Data from the Federal Competent authority (The Ministry) and the 2 accreditation bodies are missing.

ANNEX III: CALCULATION OF STAFF IN FULL TIME EQUIVALENTS

IT	Staff in full time years	Respondents: Hours in full time year	EIROnline (2008): hours in full time year	Staff in full time years based on EIROnline (2008)	Operators	Operators /Full time staff
			1680			
CA1	6.0	1872		**6.7**	49654	7411[1]
CA2	4.0	1872		**4.5**	2654	590
CA3	3.2	1872		**3.5**	3006	856
2 RCAs				**8**	5660	708
22 RCAs				**70.3**	49654	707
AC	115 man days ~ 0.46 FTY at 8h/d	2000		**0.6**	49654	82757
CB1	15.8	1920		**18.1**	6366	352
CB2	19.1	2496		**28.4**	3595	127
CB3	7.4	1800		**7.9**	1411	179
CB4	41.0	1760		**42.9**	11801	275
CB5	30.0	1800		**32.1**	10402	324
5 CBs				**129.4**	33575	259
18 CBs				**191.4**	49654	259
IT Respondents				**151.4**		
IT Total				**269.0**	**49654**	

1: The Italian Ministry has delegated the supervision of the organic control system to the regional control bodies

ANNEX III: CALCULATION OF STAFF IN FULL TIME EQUIVALENTS

UK	Staff in full time years	Respondents: Hours in full time year	EIROnline (2008): hours in full time year	Staff in full time years based on EIROnline (2008)	Operators	Operators /Full time staff
			1696			
CA	7.0	1650		**6.8**	7896	1161
AC	-			**-**		
CB1	-	1800		**-**	96	
CB2	5.0	1650		**4.9**	223	46
CB3	23.0	1650		**22.4**	1690	75
CB4	6 in office + 12 self-employed inspectors ~ 6 fty	1650		**5.8**	529	91
CB5	-	1650		**-**	507	
CB6	74.0	1800		**78.5**	4582	58
CB7	11.5	1650		**11.2**	450	40
5 CBs				**122.8**	7474	65
9 CBs				**?**	? [1]	
UK respondents				**129.6**	7981	
UK total				**129.6**	**7896**	

1: Total number of operators controlled by the 5 control bodies is higher than the total number of operators registered by the competent authority, perhaps because some operators are controlled by more than one control body. Therefore a scaling up to 9 control bodies based on the total number of operators was not possible.

ANNEX III: CALCULATION OF STAFF IN FULL TIME EQUIVALENTS

CH	Staff in full time years	Respondents: Hours in full time year	EIROnline (2008): hours in full time year	Staff in full time years based on EIROnline (2008)	Operators	Operators /Full time staff
			1926			
CA	2.5			**2.5**	7963	3185
AC	1000h ~0.5fty	2000		**0.5**		
CB1	4.9	2040		**5.2**	1250	240
CB2	36.0	1932		**36.1**	6550	181
SO	9.0	1850		**8.6**	6925	
2CBs				**41.3**	7800	189
4CBs				**42.2**	7963	189
CH respondents				**44.3**		
CH Total				**45.2**	**7963**	

ANNEX III: CALCULATION OF STAFF IN FULL TIME EQUIVALENTS

TR	Staff in full time years (FTE)	Respondents: Hours in full time year	EIROnline (2008): hours in full time year	Staff in full time years based on EIROnline (2008)	Operators	Operators /Full time staff
			1912			
CA	12.2	1992		**12.7**	14926	1175
AC	4.5	1992		**4.7**		3176
CB1	1.7	1760		**1.6**[1]	63	39
CB2	3.9	2241		**4.6**	2258	491
CB3	2.4	1980		**2.5**	2162	865
CB4	1.0	1992		**1.0**	128	128
CB5	0.4	1600		**0.4**	92	230
CB6	2.5	1992		**2.6**	2538	976
CB7	1.4	1992		**1.5**	1070	713
CB8	2.4	1992		**2.5**	1685	674
CB9	0.0	1992		**0.0**	1	50
CB10	0.0	1992		**0.0**	29	1450
SO	10.7	1992		**11.1**	15438	1391
10CBs				**16.7**	10026	
TR Total				**34.1**	**10026**[2]	

1: CB1 has reported the staff full time years and operators controlled according to the EC 834/2007.

2: No of total operators controlled is smaller than the number registered by the competent authority. This may be due to several farms being registered as one project by the control bodies**.** Another reason my be that one control body has only listed the employees and number of operators which were controlled according to the EC 834/2007 and not the number controlled according to the Turkish Organic Regulation.