# EISfOM
## European Information System for Organic Markets
### A European Commission funded Concerted Action Project

# QLK5-2002-02400

# Deliverable D4: Annex 2

# Guidelines

# on

# evaluating pilot applications (DCPS) in eight European Countries

# July 2005

# 1 Outline of case studies

In WP5 partners are supposed to conduct pilot case studies to test new and/or enlarged data collection and processing systems in their countries at different actor levels. The aim will be to collate and evaluate the pilot case study results with respect to the recommendations generated out of WP2, WP3 and WP4.

At the meeting in Berlin a general agreement was achieved, that every partner will conduct a case study on a specific actor level according to the specification used in WP2/WP3. The principal decision on each case study was already made at the meeting in Berlin. The following part will provide partners an overview on the planned activities in each case study.


**P1 (UK): DEFRA (Department of Environmental Food and Rural Affairs)**
*Actor level: producer, incomes and prices, retail, import/export, consumer*

The Statistic Division of DEFRA, represented by John Gorner and Michael Rowlands, is intending to improve/enlarge the data collection on organic farming in the UK on a broad range of actor levels, including producer level, farm incomes, prices, retail level, imports (incl. Third country), food expenditure and dissemination of results. P1 will evaluate the progress made on the different levels. On production level the role of certification bodies for data supply as well as issues relating to the harmonisation with FSS will be tackled. On price level the progress made by a new initiative, which is linked with already existing initiatives of the Soil Association, will be document. On import level the scope, quality and limitations of data gathered by the Port Health Authorities as well as the progress concerning the change of NACE codes will be evaluated. In the Food Expenditure Survey 2005 a diary page on organic consumption patterns will be included. Progress and results will be documented by P1. On retail level in the activities of DEFRA in cooperation with the BRC (British Retail Consortium) will be included in the analysis.

To get an insight on European-wide activities on the producer level, P1 will also report on ongoing activities as well as on plans/proposals for data harmonisation from a European perspective. The aim will be to give an overview on what is happening on EU-level regarding the improvement of data quality on producer level. This will be additional work to the case studies and will be reported in a separate chapter (about 1-2 pages) included in the national case study report.


**P2 (CH): IHA/GFK AG**
*Actor level: retail/consumer*

The marketing research association IHA/GFK is providing data on the consumption of organic products in Switzerland. Data collection and processing is done by using a merging method between its retailer and its consumer panel in order to calculate the total organic consumption. This method was developed, adapted and checked regarding plausibility during the last two years and allows now to present relative exact figures about organic consumption. Progress, results and applicability of the improved system will be documented.

To get an insight on European-wide activities on the consumer level, P2 will also report on ongoing activities as well as on plans/proposals for data harmonisation from a European perspective. The aim will be to give an overview on what is happening on EU-level regarding the improvement of data quality on consumer level. This will be additional work to the case studies and will be reported in a separate chapter (about 1-2 pages) included in the national case study report.

### P3 (AT): Fab4minds/E-cert

*Actor level: Supply chain*

The Austrian case study will investigate two different IT-solutions for data collection along the supply chain regarding its applicability for statistical purposes. One DCPS, called Biostockmanager, developed by Fab4minds, nowadays is mainly used for transparency of certified products from the producer to the consumer. In this case the possibilities to use the collected data for statistical purposes will be analysed. A second case study will deal with the initiative E-cert, a consortium of 3 certification bodies, which is intending to reduce administrative costs by a common software solution. The case studies will try to point out ways, how these IT solutions can be used for gathering statistical data on organic farming.

### P5/P10 (DE): ZMP and University of Kassel

*Actor level: retailer, price*

P5 and P10 will conduct a two-step-case study mainly dealing with retailer and price level. In a first step P5 will analyse the retailer panels of ACNielsen and Biovista and (possibly) the own price reporting system of ZMP. After this analysis in a second step P10 (in coordination with P5) will elaborate recommendations for the improvement of price statistics (especially for those out of the surveyed retailer panels) regarding to quality and evaluation/analysis matters. If possible, improvements for the ZMP-own farm gate price system will also be elaborated.

### P6 (IT): Prezzibio

*Actor level: price*

The system of price data collection of the Initiative Biomonitor/Prezzibio will be investigated.

To get an insight on European-wide activities on the price level, P6 will also report on ongoing activities as well as on plans/proposals for data harmonisation from a European perspective. The aim will be to give an overview on what is happening on EU-level regarding the improvement of data quality on price level. This will be additional work to the case studies and will be reported in a separate chapter (about 1-2 pages) included in the national case study report.

**P7 (DK): Statistic Denmark**

*Actor level: retail, import/export*

The Danish case study will be in close cooperation with Statistics Denmark, which is well experienced in gathering data on organic farming on nearly all actor levels. Two new initiatives started this year by Statistic Denmark will be investigated. On retail level a DCPS on turnover of organic products in retail shops, which is based on questionnaires sent to the three biggest supermarket chains and wholesalers in Denmark, will be analysed. Secondly a new methodology on import/export level will be investigated. In this respect new approaches for reducing the burden of data collection by confining the number of investigated partners will be analysed. Also methods trying to compare different sources of statistics (retailer/import/export) to get more reliable data on organic farming will be included in the analysis.

To get an insight on European-wide activities on the import/export level, P7 will also report on ongoing activities as well as on plans/proposals for data harmonisation from a European perspective. The aim will be to give an overview on what is happening on EU-level regarding the improvement of data quality on import/export level. This will be additional work to the case studies and will be reported in a separate chapter (about 1-2 pages) included in the national case study report.

**P8 (PL): IQF (Inspection of Food and Agricultural Products Quality)**

*Actor level: farm level (production, farm incomes)*

The IQF, a recently established supervision agency for certification bodies in Poland, will be analysed in respect to the development of an administrative data collection system on organic farming according to EU- regulation 2092/91. The main task of the case study will be the development of a database called *"Computer System for organic production registration, inspection and certification"*, which will be operational in 2005. Particular attention will also be paid to the links with other data sources on organic farming at production level – mainly FSS run by the Central Statistical Office and FADN, for which the Institute of Agriculture and Food Economics is responsible. There also exist plans to set up common identification numbers to link various data sources and make them comparable. Therefore one task will also be to evaluate how the institutions involved in administrative and statistical data collection proceed with discussion on common identification numbers.

**P9 (NL): SKAL**
**Actor level: farm level (production), supply chain level**

The Dutch certification body SKAL is one of the main providers for data on organic agriculture in the Netherlands. The database contains information mainly on the primary sector (number of farms, hectares, etc.) as well as on imports from outside the EU. The aim of the case study will be to elaborate some improvements for the DCPS. Furthermore, attention will be given to improvements of data collection through the development of a chain information system. A chain information system aims at creating more transparency in (information about) organic chains. Results will be tested on its applicability for other certification bodies in Europe.

## 2  Implementation of case studies

As stated in the TA "*the pilot studies will cover the 2004 calendar year and will include data on production, processing, distribution channels, trade (intra-European trade as well as third country trade, consumption and consumption patterns and prices at different levels and for different distribution channels".*

The implementation of case studies itself will be in responsibility of the national partners, P3/P8 will act mainly as coordinators by providing guidance for case study evaluation and reporting issues. As agreed at the meeting in The Hague due to the different level of involvement of partners into the case studies, there will be no common framework on how each partner should conduct his case study. Instead of guidelines for the implementation of the case studies some more detailed and structured guidelines for the national working papers for each case study will help partners to gather the information requested.

Thus, some general aspects for conducting and structuring the case studies have to be taken into consideration:

- Information on case studies is proposed to be done by interviews with key persons, either personal or by phone.
- Additional literature and Internet search should be used to complement the picture of the case study.

## 3  Proposed Outline for national working papers on case studies:

The aim of the case studies is mainly to test the proposals for new and /or enlarged DCPS for organic markets generated in WP2, WP3 and WP4. According to the TA national working papers on case studies will document barriers and problems encountered during the test phase and additionally include substantial information on:
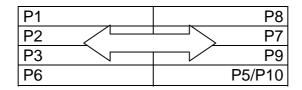- Possibilities for standardising data collection
- Improved methods to generate more reliable data
- How to overcome barriers in regard to the implementation of improvements
- National core institutions for future DCPS.

The suggested structure of the national working papers is proposed as follows:

| | |
|---|---|
| **Detailed description of the case study** | **1 page** |
| **SWOT Analysis of the DCPS (for each actor level)** | **2 pages** |
| **Assessment of DCPS with regard to the recommendations generated in WP2/3 and WP4** | **2 pages** |
| **Activities on European level (only for P1, P2, P6, P7)** | **1-2 pages** |
| **National case study report in total** | **5 pages** |

To improve the quality and to increase comparability of case studies it was agreed in Frick that the national case study reports are cross-reviewed by partners. Based on actor levels partners are proposed to comment on the 1st draft of the case study report of the assigned partner and vice versa:

Partner list for cross review of case study reports:

| | | |
|---|---|---|
| P1 | | P8 |
| P2 | | P7 |
| P3 | | P9 |
| P6 | | P5/P10 |

### 3.1 Detailed description of the case study (1page)

   a. Institution:
- Contact details, type of institution (private, governmental, etc.…),
- Funding: Is there any sort of public/governmental support? If yes, in which way? Experience/competence in collecting data on organic farming, operating since when?
- National/International cooperation with (other) statistical offices or other relevant institutions: In this case a list of case-study relevant institutions should be included

   b. DCPS (for each actor level)
- Mode and method of data collection (sample, census, …) with special focus on new methodologies and approaches (e.g. new or aggregated data sources)
- Period of data collection
- Dissemination of results
- Quality of the data according to the 6 quality dimensions used by (EUROSTAT, 2003):
    o Relevance (User needs)
    o Accuracy
    o Timeliness and punctuality
    o Accessibility and clarity (User-friendliness)
    o Comparability
    o Coherence

A detailed explanation of each factor can be found in D3. If the DCPS is still in development, estimation by key informants as well as case study partners on the data quality of the DCPS should be documented. Where an assessment of data quality due to missing information is not possible (e.g. relevance will be hard to evaluate without having users opinion) partners are requested to use their own expertise.

### 3.2 SWOT-Analysis of the DCPS (for each actor level) (2 pages):

The aim of the SWOT-analysis is to point out strengths, weaknesses as well as opportunities and threats of the DCPS in respect to:
- Standardising data collection processes
- Generating improved/new methods for more reliable data (improvement of data quality)

**S-W-Analysis:**

In detail, the S-W-analysis should point out which strengths/weaknesses the DCPS shows according to:
- The facilitation of data collection and processing
- The improvement of data quality
- Funding and financing issues
- Legislative issues
- Administrative issues (e.g. special training requirements for staff, simplicity of using new software systems)
- Cooperation with relevant data providers (e.g. certification bodies, retailers, etc.)
- Cooperation with national/international statistical agencies

**O-T-Analysis:**

*In respect to the opportunities and threats the aim is to analyse the potential and the possibilities to overcome the weaknesses identified in the S-W analysis as well as for those identified in D3. As guidance for partners to get an overview and to take into account the most relevant weaknesses a list of them is attached in the annex. Partners are expected to read the list carefully and identify the relevant weaknesses, which can possibly be solved by using the investigated DCPS. Therefore not all weaknesses have to be considered, only the ones relevant for the case study. Additionally solutions for the weaknesses which became apparent during the analysis of the DCPS should be documented.*

Opportunities:
- Possibilities to overcome weaknesses identified in D3 (for each actor level)
- What is new in comparison to systems used so far?
- Can the system be used for data harmonisation on national level?
- Relevance/applicability for international implementation?

*In this respect threats should especially describe barriers and problems for harmonisation of data (which means especially data collection and data quality) and the barriers for implementing the system on national/international level should be documented*

- Identification and description of critical points
- Description of barriers, problems, which arose during the harmonisation/improvement process (which are the factors hampering the harmonisation/development of the DCPS: financial, legal, administrative, personal, etc.)
- Suggestions for solutions
- Relevance/applicability for international implementation?

**A summary of the SWOT analysis in form of a spreadsheet will be elaborated by P3 and proposed in his case study report one month in advance.**

### 3.3 Assessment of DCPS in regard to the recommendations generated in WP2/3 and WP4 (2 pages)

In D3 for each level recommendations for the further development and improvement of DCPS in Europe have been elaborated and evaluated by experts. Each partner should set his special case study in relation to the (most appropriate) recommendations in D3 and document if or how the investigated DCPS are able to fulfil the requirements stated. The experience out of the case study should enable partners to answer one of the key questions tackled in D4, namely, under which circumstances the implementation of the recommendations stated in D3 is most likely to be done.

Therefore partners are expected to check D3 in regard to the recommendations relevant for their case study in advance to get an idea, which topics should be tackled during the case study phase. As facilitation for partners a list of recommendations out of D3 is already included in the guidelines. Partners are expected to check the following list of recommendations in respect to their case study (actor level) and select those recommendations, for which the case study is relevant. Also new recommendations appearing during the case study work should be included. In a second step the possibilities of the investigated DCPS for improving data quality or data collection should be documented. Additionally problems and barriers for the implementation of the recommendations as well the solutions for the problems and barriers should be identified.

*General recommendations for all levels:*

- Establish common protocols for data processing and exchange to ensure harmonized quality management and improved timeliness
- Development of IT solutions to facilitate the recommendation above, including use of on-line forms for data collection
- Establish mechanisms to facilitate statistical agency, external expert and stakeholder communication and involvement in data collection and processing, e.g. via specialist expert groups/networks and observatories, with key individuals given responsibility to promote/develop initiatives
- Facilitate easy access to and timely/rapid dissemination of available data (especially regarding online access of data)
- Establish a low cost quality management system as a basis for the development of a complete TQM-system on European level as an important factor for data harmonisation in an enlarged Europe
- Establish a special leadership group to For the development and implementation of an internationally harmonised quality management system, similar to the leadership group on quality in the ESS
- Aim to establish coherent, durable system to avoid frequent changes to requirements with consequential (software, labour, data quality) costs for providers
- Ensure sufficient resources available for implementation of proposals, based on coherent justification of needs and benefits
- Establish common operator identification number to enable linking of administrative and statistical data

*Special Recommendations for each actor level:*

Farm level (production structure):
- Compulsory (legal) requirement, with appropriate financial compensation, for certification bodies to supply specified administrative (2092/91) data, based on common definition of variables, and for member states to collate and report this data (levels 1, 3, 4, 6)
- Harmonise Farm Structure Survey (FSS) and administrative (2092/91) data collection and reporting, including more accurate identification of organic activities in FSS (level 1)
- Ensure organic samples in existing surveys (e.g. FADN, FSS) are correctly identified and representative (levels 1, 2)
- Establish procedures to use expert yield estimates as basis for estimating outputs from production areas and livestock numbers (levels 1 and 6)

Farm level (incomes and prices):
- Integrate available national data to strengthen EU-wide samples (e.g. FADN) where otherwise insufficient sample size or representativity would be a problem (level 2)
- Ensure organic samples in existing surveys (e.g. FADN, FSS) are correctly identified and representative (levels 1, 2)

Supply chain level and import/export level
- Compulsory (legal) requirement, with appropriate financial compensation, for certification bodies to supply specified administrative (2092/91) data, based on common definition of variables, and for member states to collate and report this data (levels 1, 3, 4, 6)
- Develop legal enforcement for institutions which are already obliged to collect data (e.g. slaughter houses) to distinguish between conventional and organic products (levels 3, 4, 6?)
- Integrate data from third country import approvals and certification body data in trade statistics (level 3, 4, 6)
- Make selective adjustments to official nomenclature to achieve appropriate balance between data requirements and administrative costs (levels 3, 4, 6)
- Conduct regular EU-wide survey of operators and experts (soft data) to meet specific data requirements (levels 3, 4, 6)
- Extend the existing data collection on intra- and extra –EU-trade to a differentiation between organic and conventional, which may provide the basis for organic market data, which market actors and policy makers will require.

Consumer/retailer and supply balance level:
- Obtain relevant retailer/consumer data directly from commercial providers working to a common European standard to ensure a) relevant variables covered and b) time series data generated (levels 5, 6)
- Integrate organic food consumption issues in household budget or food expenditure surveys (levels 5, 6)

Further recommendations:

- Establish and disseminate widely the case for developing organic farming statistics
- Establishment of national/international observatories
- Identification of organic products and development of barcode database
- Making fuller use of organic farming organizations and stakeholder expertise
- Establishing an appropriate balance between data in the public domain and commercial confidentiality
- Development of national and international yearbooks

## 4 Proposed Timetable

| Date | Task | Action |
|------|------|--------|
| 16.09.04: | Final case study guidelines circulated to partners - case study phase begins | P3 |
| 17.09.04 | Case study phase begins | All Partners |
| Till Christmas 2004 | Austrian Case study report sent to partners (as sample) | P3 |
| 01.02.2005 | 1$^{st}$ draft of case study reports sent to partner responsible for cross review (see list) | All Partners |
| 01.03.2005 | 2$^{nd}$ draft of case study report sent to P3 | All Partners |
| 31.03. 2005 | Draft Report D4 circulated to partners | P3/P8 |
| Till 21/22 April 2005 (meeting in Warsaw) | Comments on draft report D4 | All Partners |
| 30 July 2005* | Final Draft D4 | P3/P8 |

*New results can be integrated into the final report continuously afterwards until end of June 2005.

# 5 Annex

**Strengths/weaknesses identified for each level in D3**

***Farm level***
***Strengths***

*External*
- legal acts concerning data collection of administrative data exists, albeit on a voluntary basis;
- FADN has a more consolidated legal basis, and is recently being extended to organic data.

*Internal*
- farm level DCPSs that contain organic data seem to be more developed in comparison to other actor levels;
- FADN is represented most frequently and its data quality and representativeness are usually rather good;
- in many DCPS it is possible to make clear distinctions between converted and in conversion farms;
- several DCPSs, especially FADN, are harmonised to an international DCPS;
- in most FADN systems, organic data are distinguishable from total data;

*Other*
- some countries (e.g. France and Finland) developed good practice in DCPS management that may be a useful track for other countries.

***Weaknesses***

*External*
- the European Action Plan for Organic Food and Farming explicitly mentions production data collection should be improved.
- data are not always made publicly available or is not reported at all ;
- most national and regional governments report the data on a voluntary basis rather than a compulsory basis. This also poses problems of coherence and consistency of the data collection systems (e.g. data are not available at the same depth all years, etc.);
- different formats (e.g. produced animals/animal producers/live animals) and often several collectors of data from organic farms in one country;
- in many countries at farm level, no distinction is made between in conversion and fully converted organic farms, or the definitions of converted, (fully or partly) and in conversion farms (1st year, 2nd year, partly or fully in conversion) and farm products are not clear;
- certification bodies disseminate the data freely on a voluntary base only in a few countries at present
- even when certification bodies would be able to provide the most precise figures about the national organic farm structure, the certification bodies are not obliged to report the data of certified organic farms;

- the disclosure of data available at certification bodies is often limited by their close partnerships with organic farming associations which try to maintain the confidentiality of data from the associated farms.

*Internal*
- lack of harmonisation to a European system;
- in some cases, no consistent definition of organic farming is used by different data sources (e.g. farm structure survey vs. administrative data);
- in several systems small farms (usually < 2 ha) are not taken into account, which sometimes means that a substantial part of organic farming activity is left out;
- some systems do not distinguish many product groups, which makes them less valuable;
- data is not always up-to-date;
- the representativeness is often a problem, even in harmonised Eurostat systems like FADN: theoretically they should be representative, but in reality this is sometimes hard to accomplish;
- data quality is also a recurring problem: many systems are only visually checked by experts, but this is not very good;
- many DCPSs are still stored in "primitive" electronic formats, like Excel sheets;
- only FADN seems to have – in most cases - a quality management system in place;
- the information on organic farming is still rather incomplete: in most countries time series are hardly available before 2000, regional breakdown is quite poor, and even the production structure is rather basic, allowing to distinctions to be made only between very aggregated crops (e.g. cereals, pastures, etc.);
- different software is used and many 'databases' will lack an appropriate data definition;
- lack of communication between different data collection systems
- different DCPSs are not harmonised or even simply "communicating" between each other (e.g. FSS and EC2092/91);
- extra-collection of data when administrative data are not available is often claimed to be too expensive;
- there are only a few systems for production and price statistics in which organic data is distinguishable;
- data quality of the national organic farm structure based on information using the FSS is hard to interpret;
- published organic food and farming data are often not very up-to-date: data are often released with a delay of 2 to 3 years.

*Other*
- none.

**Supply chain (wholesaler / processor and import / export level)**
**Strengths**

*External*
- none.

*Internal*

- in countries where they exist (only very few), most DCPSs on wholesaler and processor level are representative because the whole population or a representative sample is the basis for data collection;
- data are collected quite frequently (e.g. often on a weekly or monthly basis), especially at wholesaler / processor level;
- most of the data collected are checked by a quality management system (wholesaler /processor level);
- most of the trade DCPS are harmonised to the European System.

*Other*

- none

## Weaknesses

*External*

- traceability and control of sales of organic as organic by inspection bodies is still not uniform throughout Europe: the need of new (electronic?) systems to improve integrity and traceability of organic systems (which should come into force in the coming year) is a useful opportunity to comply with statistical needs as well.

*Internal*

- only few  DCPSs present at this level, mainly at wholesaler / processor level;
- DCPSs at the wholesaler /processor level are not harmonized to an European System;
- in most of the DCPSs at this level, organic data are not distinguishable from total data;
- only few DCPSs exist which collect data both on organic and total foreign trade;
- most of the organic market data are unreliable and inaccurate, and are based on expert estimates rather than collected by proper statistical surveys on representative samples;
- most of the data are not available for public use;
- most data are stored in a poorly-structured electronic format.

*Other*

- none.

## Consumer and retailer level
## Strengths

*External*

- some legal acts exist concerning the collection of consumer data (e.g. Household Budget Survey (HBS)).

*Internal*

- organic products are included in DCPSs covering the total markets. Therefore, organic data is usually comparable with total data;
- figures provided by consumer and retailer panels usually have a high validity.

*Other*
- none.


### Weaknesses

*External*
- the European Action Plan for Organic Food and Farming explicitly mentions market data collection to be improved;
- organic consumption and retail data could be extracted by market research companies quite easily from their databases, but these data are usually not publicly available;

*Internal*
- systems are not harmonised to an international level: besides, as data on consumer and retailer panels is mostly gathered by private companies there is no real interest in harmonisation;
- often, consumer panels do not collect data on all product groups when surveying organic expenditures;
- therefore there is a limited representation of different store types, e.g. consumer panels often do not cover specialised organic shops;
- data collection and processing on retailer and consumer level are very expensive, and the sector and the market size of organic product is still small;
- the demand for organic product data by paying users is limited;
- most data are stored in a poorly-structured electronic format.

*Other*
- none.

### Supply balance sheet
### Strengths

*External*
- legal acts exist concerning data collection of supply balances in national and international economic accounts.

*Internal and other*
- none, given the almost total lack of organic data collection at this level.

### Weaknesses

*External*
- no official data collection for organic products.

*Internal*
- no complete supply balance sheets for organic products in any European country;
- deficiency in the DCPSs of production data is also hampering the availability of supply balance sheets;
- external trade: no specific nomenclature codes for organic products exist, which renders difficult data collection on organic trade;
- no organic data are available for input-output flows in processing and stocks ;

- quality management done only by visual check by experts.

*Other*
- none.