



THE POTENTIAL OF ALTERNATIVE CERTIFICATION SYSTEMS

D 21, PART A

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This report constitutes the first part of deliverable no.21. It presents the results from the analysis of alternative certification systems with the aim of assessing efficiency and costs of alternative approaches to the existing practice of organic farming.

DISCLAIMER

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EXECUTIVE SUMMARY

Alternative certification systems provide a new perspective and potentially new ideas for how to improve organic certification. The objective of this part A of the Deliverable 21 is to present and discuss an assessment of elements of alternative approaches regarding their potential to improve the current organic certification scheme.

This report contains an analysis of inspection and certification schemes, divided in two phases. The first phase was an explorative analysis, in which various certification schemes were screened for promising elements for improving and strengthening the organic certification system that is currently in force in the European Union (EU). The second phase was an in-depth analysis of three promising elements: risk based inspection, social networks, and training and capacity building. This in-depth analysis resulted in nine suggestions for possible measures to improve the current organic certification system, including an evaluation of costs for the suggestions. The suggestions are

1. Guideline to harmonise the understanding of the risk based inspection aspects in the EU organic regulation
2. Reduced controls for low-risk operators and control exemptions for small operators
3. The possibility of remote controls supplementing the annual control
4. Considering social networking activities in the risk assessment of operators
5. Introducing a monitoring institution for organic operators
6. Developing a guide for a common understanding the EU organic regulation
7. Subsidies for training of operators
8. Introduce a basic central training on the EU organic regulation for all involved stakeholders
9. Supporting networking and exchange between Competent Authorities and Control Bodies at the national level

These suggestions are likely to be acceptable to varying degrees by the different stakeholder groups involved (operators, control bodies, competent authorities, consumers). This implies that any implementation of a measure should be carefully accompanied by a good communication, and should involve the relevant stakeholders wherever necessary in the implementation process.

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List of abbreviations

AB.....	Accreditation Bodies
CA	Competent Authorities
CB	Control and Certification Bodies
CCP.....	Critical Control Points
CSA.....	Community Supported Agriculture
EC	European Commission
EOCC	European Organic Certifiers Council
EU	European Union
FAO	Food and Agriculture Organisation of the United Nations
FLO	Fairtrade Labelling Organisation
FSC	Forest Stewardship Council
GAP.....	Good Agricultural Practices
HACCP.....	Hazard Analysis Critical Control Points
ICS	Internal Control System
IFAT.....	International Federation of Alternative Trade
IFOAM	International Federation of Organic Agriculture Movements
ILO.....	International Labour Organisation
ISEAL Alliance.....	Global association for social and environmental standards
JAS	Japanese Agricultural Standards
LÖK	Länderarbeitsgemeinschaft Ökologischer Landbau (Germany)
MAFF	Japanese Ministry of Agriculture, Forestry and Fisheries
MSC	Marine Stewardship Council
NGOs	Non-Governmental Organisations
NOP	National Organic Program
PDO.....	Protected Designation of Origin
PGI	Protected Geographical Indication
PGS.....	Participatory Guarantee System
QAP	Quality Assurance Programmes
RBI	Risk Based Inspection
RT-16	(Italian) Technical Regulation No. 16
SAI.....	Social Accountability International
SAN	Sustainability Agriculture Network
UN	United Nations
US	United States
USDA	United States Department of Agriculture
WFTO.....	World Fair Trade Organisation
WWF	World Wide Fund for Nature

1 INTRODUCTION

The overall objective of the CERTCOST project is to generate research based knowledge on how to improve the organic food certification system in terms of efficiency, transparency and cost effectiveness. While part B of this Deliverable 21 focuses on a detailed cost analysis of the organic certification scheme, this part A looks at alternative certification schemes.

Alternative certification schemes have developed in different contexts than the organic scheme, e.g. different fields (such as wood industry), and/or with a particular focus on parts of the supply chain (e.g. the HACCP scheme for food processing). In consequence, different actors and stakeholders are involved in shaping and managing the certification schemes, different approaches and tools have evolved, and different emphases put. Thus, alternative certification systems provide a new perspective on the organic certification scheme, potentially giving new ideas for how to improve the current organic certification system. The objective of this report is to present and discuss the assessment of elements of alternative approaches regarding their potential to improve the current organic certification scheme.

This Part A of the Deliverable 21 contains a complete analysis of inspection and certification schemes. The analysis was divided in two phases. The first phase was an explorative analysis, in which various certification schemes were screened for promising elements for improving and strengthening the organic certification system that is currently in force in the European Union (EU). The second phase was an in-depth analysis of three promising elements: risk based inspection, social networks, and training and capacity building. This in-depth analysis resulted in nine suggestions for possible measures to improve the current organic certification system, including an evaluation of costs for the suggestions.

This part of the deliverable is organized as follows. Chapter 2 outlines the methodology applied in the two phases, while the description and explorative analyses of schemes is presented in Chapter 3). Chapters 4 to 6 present the results of the in-depth analysis of three promising elements. Each also contain concrete

CHAPTER 1_INTRODUCTION

suggestions for improvements of the current organic certification systems. To give a quick overview, each suggestion is summarised in a small box, followed by the results of an experts' evaluation of the expected acceptance of each measure. At the end of each suggestion description, a table shows an estimate of the likely cost implications involved. Finally, Chapter 7 concludes with a summary of the major findings of the analyses.

2 METHODOLOGY

To identify promising elements to improve the current organic farming certification system, a two-phase approach was chosen. In a first phase, in an explorative analysis 20 organic and non-organic certification schemes were screened. In 13 of these schemes, a total of nine recurring elements were identified that looked promising to improve the existing organic certification system (see Table 3, Chapter 3.3). Of those three elements were selected for in-depth analysis in the following way: an online expert survey among organic certification bodies and experts was conducted, and the researchers involved in the CERTCOST project voted on the most promising elements based on their expert knowledge at a project meeting. This resulted in three elements that were considered to have the highest potential for improvement of the organic certification system. These three elements were analysed in depth in the second phase.

Table 1 presents the 20 certification schemes considered for the analysis, showing which of the schemes were also considered in the in-depth analysis of the three promising elements.

CHAPTER 2_METHODODOLOGY

CERTIFICATION SCHEMES		ANALYTICAL PART	
TYPE	Name	Explorative	In-depth
Organic	National Organic Programme of the United States	✓	✓
	Japanese Organic Standards	✓	✓
	Internal Control System (IFOAM, ISEAL)	✓	✓
	Participatory Guarantee systems	✓	✓
Non-organic	Forest Stewardship Council	✓	✓
	Marine Stewardship Council	✓	✓
	Rainforest Alliance / Sustainable Agriculture Network	✓	✓
	GLOBALGAP	✓	✓
	UTZ certified	✓	✓
	SA 8000	✓	✓
	FLO Fair Trade Standards	✓	✓
	World Fair Trade Organisation	✓	✓
	Other Fair Trade Standards (i.e. Fair for Life, Naturland)	✓	
	FairWild	✓	
	Starbucks Cafe Practices	✓	
	CCCC	✓	
	Food Safety Systems (i.e. IFS, BRC)	✓	
	HACCP	✓	✓
	ISO14000, ISO 22000, ISO9000	✓	
Nature Plus (i.e. ICEA, ANAB, Bioarchitecture)	✓		

Table 1 Certification schemes explored and schemes used for in-depth analysis of three promising elements to improve the organic certification system

In the second phase the three most promising elements were analysed in depth in order to identify realistic, applicable measures by which the EU organic certification system could be further developed. In this in-depth analysis, the analytical procedure consisted of three steps.

First, a literature review about important issues of the three most promising elements was carried out, that focussed on recognising relevant and current aspects related to these promising elements in the EU. That information was differentiated for organic farming and for alternative (to organic) systems. It is important to note that the definitions of concepts employed in social theories (e.g. social networks, embeddedness and training) were clarified in a broader sense, in order to contextualise the analysis and thereby to facilitate the development of realistic suggestions to improve the EU organic certification system. The material used for the literature review included scientific publications, protocols and standards of thirteen certification schemes (which are identified in the Table 1), information available in websites related to certification issues and schemes, and data provided by standards' owners and representatives of different certification bodies.

Second, ten experts involved in the development of organic certification schemes were interviewed. Three criteria were taken into account to select the interview partners: their involvement in the development of organic certification schemes (i.e. expertise in organic farming), their knowledge about social aspects of control mechanisms, and their experience in auditing the performance of operations (i.e. expertise in quality control). Techniques of the qualitative expert interview method

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were applied to design and to analyse the empirical material. Mieg and Näf (2005) assert that this method is based on hypotheses. Accordingly, main research hypotheses were defined for each of the three promising elements that were analysed in-depth and a set of research topics were defined for each promising element. These research topics constituted of a precise guide to conduct semi-structured interviews.

The interviews were arranged in advance, and the experts were informed about the topics of the interview beforehand. Most of the experts were interviewed by phone. Their answers were recorded and later on summarised. This summary was sent to the interviewee for review. In that form the quality of the empirical material can be assured. Employing that semi-structured format was useful to verify the validity of the research hypotheses, and also to evaluate the plausibility of the resulting suggestions. In Table 2, a list of the interviewed experts is shown together with the promising element on which the interview was focused. The table also shows the organisation with which the expert is associated and the country where they are located. Finally, it is important to mention that members of the control bodies (CB) of the European Organic Certification Council (EOCC), as well as some researchers involved in the CERTCOST project who work in CBs responded to an additional questionnaire concerning the risk based inspection (RBI) practices implemented in EU the organic certification system.

PROMISING ELEMENT	EXPERT	Organisation name (type)	Country
Risk Based Inspection	F. Santini	Accredia (Accreditation Body)	Italy
	D. Gould	ISEAL Alliance	United Kingdom
	J.W. Kral	SKAL (CB)	the Netherlands
Social Networks	Hugo Skoppek	Nature & More Foundation	the Netherland
	Jörg Grosse-Lochtmann	"Bio mit Gesicht" by Naturland Marktgesellschaft	Germany
	Luca Valli	Social Accountability Watch	Italy
	Laercio Meirelles	Ecovida Network	Brazil
Training and capacity building	Britta Wyss-Bisang	UTZ certified (standard owner)	The Netherlands
	Ishikawa Kiyofumi	Food and Agricultural Materials Inspection Center (CB)	Japan
	Margit Backes	German Federal Agency for Agriculture and Food (BLE)	Germany

Table 2 Experts interviewed

To assess the suggestions that had been developed through the above described process, the partners of the CERTCOST project came together in a half-day expert workshop on December 1st 2010. The assessment focused on three criteria:

- Expected contribution to improving the current organic certification system with regard to the probability of detecting irregularities and fraud
- Costs of implementation for
 - Producers and processors
 - Control and certification bodies/authorities, including control staff

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- Competent authorities
- Acceptance by the different stakeholders involved
 - Producers and processors
 - Control and certification bodies/authorities, including control staff
 - Competent authorities
 - Consumers

On the basis of the CERTCOST expert workshop the suggestions were refined. The results of the experts' assessment at the workshop are shown in boxes at the respective suggestions. The cost assessment thereby shows the expected effect of each suggestion on the expenditures of the different stakeholders.

Finally, for each suggestion the costs were assessed, and the result of this assessment is described in the section "cost evaluation" for each suggestion. In the cost evaluation, it is not specified which stakeholder will have to bear the costs, but the overall amount of each suggestion is assessed.

In summary, the presented analysis of the potential of alternative certification systems to improve the current organic certification system is based on a literature review, expert interviews and an expert workshop. . In the following Chapter 3, the certification schemes that were reviewed for the analysis are described The Chapters 4 to 6 each focus on one potential element, while using findings from all three steps of the analysis.

3 EXPLORATIVE REVIEW OF CERTIFICATION SCHEMES

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This chapter introduces the thirteen certification schemes (see Table 1) evaluated in the explorative phase of this analysis. For each scheme some elements are described that were considered promising to potentially strengthen the EU control system.

Four of the analysed systems are other organic certification schemes, the other nine are product and system certification schemes in the field of sustainability or safe production.

3.1 Organic certification schemes

3.1.1. National Organic Program of the United States

The National Organic Program (NOP) establishes the national standards for the production and handling of organically produced products in the United States (US). It includes a National List of substances approved for and prohibited from use in organic production and handling.

In the Organic Foods Production Act of 1990, the US Department of Agriculture (USDA) required the development of national standards for organically produced agricultural products. The NOP came into force in April 2001. The NOP is aimed at assuring consumers that agricultural products marketed as organic meet consistent, uniform standards. All organic certifiers, producers, processors and handlers had to

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comply fully with the requirements established in the national standards by October 2002.

In the US, the labelling of an agricultural product as organic requires that farms or handling operations are certified on the implementation of the standards defined in the NOP. That certification can be granted either by public or private certification bodies that has to have an official accreditation issued by the USDA.

The NOP standards are always directly applied to any organic operation worldwide when a product is to be marketed as organic in the US, unless program equivalence agreements are in force in the country where the organic good is produced. This requirement does not exist in the EU Organic Regulation.

Among the many features of the NOP system the following elements are considered particularly interesting for this study: Firstly, USDA provides detailed guidance documents on the NOP website, such as the program handbook, and also policy amendments intended by the National Organic Standards Board are published. Secondly, the system aims to involve various stakeholders in the development of standards and guidance documents. All comments received during the public consultation period about the new standard or guidance documents are also published.

3.1.2. Japanese Organic

All organic plant products (foodstuffs) which shall be traded in Japan must be certified according to the Japanese Agricultural Standard (JAS) Organic regulations as published by the Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF). Since 2000 all agricultural plant products meant for human consumption must be certified according to the JAS Organic regulations. In 2005, precise requirements for the production of organic livestock and feed were introduced.

All organisations certifying the implementation of production and processing operations defined in the JAS must be accredited by MAFF.

Particularly interesting features of JAS for this study are the mandatory training for operators working on grading procedures, and the personal responsibility given to the grading manager (i.e. the person who is in charge of verifying and documenting the performance of grading operations).

3.1.3. Organic Group Certification based on an Internal Control System

The International Federation of Organic Agriculture Movements (IFOAM) defines the Internal Control System (ICS) as a “documented quality assurance system of a producer group that allows an external certification body to delegate the periodic inspection of individual group members to an identified body or unit within the certified operator” (Elzakker and Rieks, 2004). This means that inspections of the proper functioning of the system, as well as a few spot-check re-inspections of individual smallholders, are carried out by third party certification bodies.

The rationale behind ICS based group certification is two-fold (IFOAM, 2010a). ICS are aimed at facilitating smallholder certification by simplifying certification

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procedures and by reducing its cost through coordinated documentation. ICS are also useful to implement and maintain a high quality assurance system for organic standards in smallholder production.

Those group certifications granted to smallholder farmers in developing countries (as defined by the OECD) that are based on ICS can be accepted in the EU. The equivalence of group certifications on organic production that have been issued in developing countries is evaluated according to a “guidance document”, which has been produced by the Directorate-General for Agriculture and Rural Development of the European Commission (EC) (EC-AGRI, 2003). In that guidance document, particular requirements are established; for instance that the small farmers included in the group certification should have a similar system of production, be closely geographically located, and market their products jointly. In the context of group certification, an important characteristic of the ICS is the obligation to have a documented internal quality assurance system. It implies that a contractual arrangement with each individual member of the group should be made. Furthermore, internal controls should be carried out by properly trained inspectors. Specific rules to avoid or limit potential conflicts of interest that can arise during an inspection are also defined. Fields and facilities of each individual operator should be inspected, at least, once annually.

The implementation of an ICS implies that a set of documents including among others descriptions of farms and facilities, production plans, specification of products harvested, contractual arrangements with individual farmers, and inspection reports is available. In the ICS, a regime of sanctions applicable to individual members who do not comply with the production standards should be defined. In addition to that, there is an obligation to inform external inspection bodies about any irregularity or non-compliance case that is found, as well as about the type of sanction imposed and the period of time given to correct the irregularity.

An attempt that has been made to harmonise the group certification requirements of different environmental and social schemes. The global association for social and environmental standards, the ISEAL Alliance, has proposed the “Common Requirements for the Certification of Producer Groups” (ISEAL Alliance, 2008). Detailed guides for the implementation of ICSs when certifying groups of smallholder producers can also be found in the IFOAM tool kits for producer organisations (Lechleitner and May, 2004), and in the IFOAM training materials for inspection and certification of organic grower groups (Lechleitner and Eisenlohr, 2004).

For this study the following elements of groups certification based on ICS were considered particularly interesting.

- Social control mechanisms in the group
- The risk based inspection approach in evaluating Internal Control Systems
- The training and support component in Internal Quality or Control Systems

3.1.4. Participatory Guarantee Systems

Participatory guarantee systems (PGS) are rooted in early forms of organic assurance employed by European farmers’ organisations, in which individual

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standards were developed and a self-control (i.e. exerted by the members) approval system was put into practice (Rundgren 2007). Most of these early PGS were discarded in favour of the present third party organic control system during the 1990s. However, in recent years, the concept has become increasingly popular in both developed and developing countries. For instance, in 2004 Brazil hosted the first international workshop on PGS (IFOAM, 2008a).

Today, the conceptual idea of PGS is recognised by several non-governmental organisations (NGOs) as well as by a few governments, as a viable alternative to the mainstream organic certification (Nelson et al, 2010). In 2008, specialists working in the PGS task force of IFOAM defined a general concept of PGS. It states that: “Participatory Guarantee Systems are locally focused quality assurance systems. They certify producers based on active participation of stakeholders and are built on a foundation of trust, social networks and knowledge exchange” (IFOAM, 2008b). Other features of PGS are included in the definition in PGS Guidelines published by the IFOAM. There PGS are defined as: “quality assurance initiatives that are locally relevant, emphasize the participation of stakeholders, including producers and consumers, and operate outside the frame of third party certification” (May, 2008).

PGS are not limited to the organic export market. Indeed, some PGS focus on local production-certification-consumption networks. Such networks are of importance for organic production because they are designed to support small scale producers, encourage local economic development, make organic products available at fair prices for both producers and consumers, and facilitate food security and sovereignty (IFOAM 2007; May, 2008).

Among the advantages of PGS is the fact that farmers with diversified production systems and non-centralised marketing can be included in the participatory network. In addition, farmers are individually certified. (Nelson et al, 2010). products certified in a participatory way are mostly geared to the local market and can not be exported with the organic label. In part, this is because the relationships of trust between producers and consumers that are at the core of participatory certification systems cannot be maintained when goods are purchased far from their location of production (Nelson et al, 2008).

Each PGS is unique, which means that they do not have a general form or follow global standards. However, researchers of IFOAM have identified six common elements of PGS which are related to trustworthiness. They include:

- A shared vision of farmers and consumers regarding the core principles guiding the program.
- The intense involvement of those interested in production and consumption (this participative approach is useful to ensure the credibility of the quality of the production).
- The awareness of all stakeholders, including farmers, about how the approval mechanism works and how the decisions are made (it enhances the transparency of PGS).
- Shared belief that organic farmers can be trusted supported by the fact that PGS is an “integrity based approach”.

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- The learning process involved; and the horizontality of PGS, which is related to sharing powers and the absence of hierarchical differences (IFOAM, 2007).

Useful information about PGS is available on the website of IFOAM. This includes a list of key features, a wide range of basic introductory reading, reports on various case studies in different countries, guidelines (see May, 2008), and self-assessment tools.

For this study the peer review system as well as the social control and interactions within the group as well as with consumers as part of the guarantee system was of particular interest and is analyzed in more detail in chapter 5.3.1 **Fehler! Verweisquelle konnte nicht gefunden werden..**

3.2 Non-organic certification schemes

3.2.1. Forest Stewardship Council

The Forest Stewardship Council (FSC) is an international, non-governmental organisation dedicated to promote the responsible management of the world's forests. It was founded in 1993 in response to the concern of the society about the increasing levels of deforestation, which of course boosted the public claim for a trustworthy wood-labelling scheme. Today, there are FSC working groups in more than 50 countries around the world. The FSC is supported by several NGOs such as the World Wide Fund for Nature (WWF), Greenpeace and the Woodland Trust. The FSC is one of the founding members of the ISEAL Alliance.

The FSC certification system is globally applicable. In the FCS certification guidelines, specific criteria are defined to ensure that the management of the forests is environmentally appropriate, socially responsible and economically viable. In addition to that, , standards for chain of custody certification and labelling of wood products are established.

Among the elements of the FSC certification system that are of particular interest in this study are the procedures defined for stakeholder consultations; the implementation of a global standard with the help of national working groups; and the very useful set of guidance documents, examples and case studies provided for applicant operations. FSC also provides detailed guidance for risk based inspections.

3.2.2. Marine Stewardship Council

The Marine Stewardship Council (MSC) was established in 1997. The certification programme covers wild fisheries, in which aquaculture production is not included. It is an international standard with global application. In order to guarantee a sustainable wild fishing, the MSC has set environmental standards. In addition to that, chain of custody standards have been also defined which apply to all processors and traders involved in the supply chain. This provides useful information to establish the traceability in the production of sea food. The

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certification of individual fisheries according to the MSC standards is issued after completing an audit. The MSC is another founding member of the ISEAL Alliance.

For this study the guidance provided on risk based inspections as well as training and guidance materials for operations were of particular interest.

3.2.3. Rainforest Alliance / Sustainable Agriculture Network

The Sustainable Agriculture Network (SAN) is a coalition of leading conservation groups that links responsible farmers with conscientious consumers. The main purpose of the SAN is to promote efficient and productive agriculture, biodiversity conservation and sustainable community development. Researchers of the SAN have defined social and environmental standards on sustainable agriculture, which are used as guides for certification processes. Products certified on the implementation of the SAN standards carry the SAN/Rainforest Alliance label. The SAN/Rainforest Alliance certification is a well established system with public standards. The SAN is a full member of ISEAL Alliance.

Of particular interest for this study was that the Rainforest Alliance offers a wide range of guidance documents, the possibility for stakeholders to get involved in the standard setting process, and practical information for consumers.

3.2.4. GlobalGAP

GLOBALG.A.P. is a private body that sets voluntary standards for the certification of production processes of agricultural goods (including aquaculture products) around the globe. The GLOBALG.A.P standards are primarily designed to ensure to the consumers that in the production of food, the detrimental environmental impacts caused by farming operations are minimised; the use of chemical inputs is reduced; and a responsible approach to worker health and safety, as well as animal welfare, is implemented. GLOBALG.A.P standards serve as a manual for Good Agricultural Practices (GAP). Efficient certification on the implementation of these standards is based on a partnership of agricultural producers and retailers. In the website of GLOBALG.A.P, complete information on standards, its modules, and applications are available.

In this study, the in particular the GLOBALG.A.P training programme for operators, inspectors and employees of certification bodies was carefully analysed. Similarly, guidelines for risk based inspections were reviewed.

3.2.5. UTZ Certified

UTZ Certified is a worldwide certification program that sets standards for responsible production of various major commodities. It started as a certification programme for responsible production of coffee, but now also covers cocoa, and tea production. This certification programme was first introduced in 1999 as “UTZ Kapeh”. In 2007, the programme was renamed to UTZ Certified “Good Inside”. The UTZ Certified programme is another full member of the ISEAL Alliance.

In this certification programme, specific economic, environmental and social criteria for the responsible production of four different products have been defined. Many

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organic certification bodies are approved by UTZ Certified to and certify the programme.

For this study the following features the training and guidance provided to producers as well as certifiers were of particular interest, as well as a traceability system by means of an online database and the guidance on risk based inspections. On the website of the UTZ Certified, the standards as well as various resource documents for consumers and users of this programme are published. In addition to detailed guidance documents, the certifiers have access to an online auditor training tool, which is particularly useful when evaluating options for efficient training of inspection staff.

3.2.6. SA 8000 / Social Accountability International

Social Accountability International (SAI) is a global, multi-stakeholder organization which has set a detailed social standard aimed at testing how good the employment practices of any company are. This standard is known as the SA8000. It is an auditable certification standard based on workplace norms taken from the International Labour Organisation (ILO) conventions, the Universal Declaration of Human Rights and the United Nations (UN) Convention on the Rights of the Child.

SA8000 is published on the website of SAI, alongside very detailed guidance documents, which are useful to foster understanding and uniform implementation of this standard. All certification bodies need to be accredited by the Social Accountability Accreditation Service to carry out officially accepted SA8000 certifications. SAI also offers specific training for auditors, retailers and suppliers.

Among the elements of the SA8000 that were useful for this study are the standardised training and the well developed guidelines for the implementation of the standard as well as for auditing procedures. In addition to that, the stakeholder feedback mechanism was carefully evaluated when analyzing social networks.

3.2.7. Fairtrade Labelling Organisation

The Fairtrade Labelling Organisation (FLO) is the umbrella organisation of 24 national organisations which pursue the same objective of promoting products certified with the FAIRTRADE Mark. FLO defines of standards against which the FAIRTRADE Certification Mark is awarded to producers and traders. Also, FLO coordinates the support programmes for producers and acts as central global promotion body for Fairtrade. FLO is another founding member of the ISEAL Alliance.

FLO-Standards are defined for specific products, but they are based on the same generic standards for smallholder producer organisations and hired labour situations, with product specific details. There are also standards for traders and for Contract Production Operations. The Fairtrade certification can only be granted by FLO-Cert, or by FLO subsidiaries.

On the FLO website, in addition to the standards for different products, Fair trade prices (minimum and premium) are published as well as news on standards setting. On this website, producers have access to detailed guidance documents and may contact local officers in order to get support for the implementation of the standards.

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The good guidance for operators, the active involvement of stakeholders, and the single certifier system are some of the compounding elements of this well-established international standard that were analysed in this study.

3.2.8. World Fair Trade Organisation

The World Fair Trade Organisation (WFTO), (previously known as the International Federation of Alternative Trade, IFAT), gathers together different companies and organisations that are 100% committed to the Fairtrade principles. The membership to the WFTO is limited to those organisations that can demonstrate the implementation of ten principles of Fairtrade (WFTO, 2010a). The network of traders represented by the WFTO is wide; it includes traders from grassroots operations in production up to marketing companies as well as organisations that support producers.

Self-assessment is the most common system by which the implementation of the ten principles of Fairtrade is monitored. The self-assessment reports are reviewed by the WFTO monitoring department. Feedbacks submitted by external readers are also included in the review (WFTO, 2010b). This review system implemented by the WFTO constitutes a quality assurance practice characterised by its high reliance on trust as well as peer reviews. In this study, this system was particularly useful for the analysis of social networks.

In 2009, the WFTO developed Standards for Sustainable Fair Trade Management System as a product certification programme. Based on results of tests carried out for pilot products, the first certifications of producers were issued by the end of 2010 (WFTO, 2011).

3.2.9. Hazard Analysis Critical Control Points

The Hazard Analysis Critical Control Points (HACCP) is an internationally recognised and recommended system of food safety management. It focuses on identifying the “critical points” in a process where food safety problems could arise, and also on enforcing actions to prevent them.

For instance, in the food industry the HACCP is used to identify potential food safety hazards, so that key actions can be taken to reduce or eliminate the risks associated with these hazards. The system takes into account all stages of food production as well as all preparation processes such as packaging, distribution, etc.

In the Regulation (EC) No. 853/2004, specific hygiene rules for foodstuffs are laid down. In particular, it is stated that food business operators should implement and maintain hygiene procedures based on HACCP principles. As a part of food safety controls, these hygiene procedures have to be monitored. In the US, compulsory HACCP programmes are in force in the meat and juices industries, whereas in other countries and for other industries the use of HACCP is voluntary.

The HACCP has the following principles: hazard analysis, determination of Critical Control Points (CCP's), establishment of links to each CCP, monitoring of the CCP's, verification (auditing), and record keeping (FAO, 2001). These principles are also included in the international standards ISO 22000 and FSMS 2005 (ISO, 2007).

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Similarly, these principles are also taken as a reference in several voluntary standards.

For this study, the common training of HACCP auditors which has been found to build a common interpretation of (HACCP) standards and practice is particularly interesting and analysed further in chapter 6 (Capacity Building and Training). Also, the hazard analysis and risk based approach has by now been firmly embedded in EU organic regulations and is analysed further in the chapter **Fehler! Verweisquelle konnte nicht gefunden werden.**⁴ (Risk Based Inspections).

3.3 Preliminary list of promising factors and choice made

Based on the explorative review of 13 different certification schemes, potential to improve the EU organic certification system was found in the following nine elements as presented in Table 3.

Promising Element	NOP	JAS	ICS	PGS	FSC	MSC	Rain Forest	GLOBALG.A.P.	Utz Certified	SA8000	FLO	WFTO	HACCP
Risk based inspection systems	✓		✓		✓	✓	✓		✓	✓			
Participation in social networks			✓	✓	✓					✓		✓	
Inspectors' training, qualification and update training formalised	✓						✓	✓	✓	✓			✓
Obligatory operators training		✓						✓					
Guidelines and specific rules regarding additional control measures	✓				✓		✓	✓	✓	✓			
Online operators database					✓	✓	✓	✓	✓	✓	✓	✓	
Harmonisation of interpretations and procedures	✓				✓	✓	✓	✓	✓	✓	✓		
Compatible operators data registration and administration					✓	✓	✓	✓	✓	✓	✓		
Quality management system on operator level	✓	✓			✓		✓	✓	✓	✓			✓

Table 3 Promising elements found in analysed schemes¹

¹ List not exhaustive or exclusive. It is shown what focus is mentioned in which scheme, and was analysed for this study.

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The following three elements were selected by expert (see Chapter 2 for details) as most promising (this means with the highest potential to improve the EU organic certification system):

- Risk Based Inspection
- Participation of Operators in Social Networks
- Training and Capacity Building

It is important to note that in the Training and Capacity Building element, operators as well as staff of control bodies and competent authorities are included. Besides that, relevant issues such as the harmonised interpretation and guidance are included. In the Risk Based inspection approach also additional control measures are included.

The selected three most promising elements are presented and analysed in the next three chapters.

4 FIRST PROMISING ELEMENT: “RISK BASED INSPECTION”

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The term “risk-based inspection” (RBI) refers to the application of risk analysis principles to manage inspection activities for defined programmes. Risk, in the context of organic certification, can be considered as a function of the probability of an adverse effect on the organic integrity and the severity of that effect when a specific hazard occurs. In the CERTCOST project, risk assessment is understood as the quantitative and qualitative determination of risk (Zorn et al. 2009). Within the framework of this concept, operators should be evaluated regarding the likelihood of non-compliance with the organic production rules and its consequences, and an adequate inspection programme should be defined according to the result of the assessment.

The RBI approach is considered to be relevant for the organic sector, because it “results in a reliable certified organic product, an increased professionalism of the certification bodies (CB), a reduced number of more effective inspections, greater support for the inspectors through concentrating on issues that matter according to relevant stakeholders, and inspectors [that] can concentrate on priorities and use their ‘inspectors’-instinct’ rather than merely completing a check-list” (Ong, 2006).

The RBI approach is also important, because it can offer greater efficiency in inspection and effective certification. However, cost savings are not so evident for CB conducting an average of less than 1.5 inspections per operator and year. Moreover

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it is also clear that extra time and training is required to implement risk-based systems, at least in the short to medium term (Ong, 2006).

CERTCOST proposes a harmonised improved RBI as an important tool to strengthen the present EU control system in terms of prevention of fraud and violation of the standards as well as to charge higher risk operations their effective costs while reducing the burden on compliant, well working organic operations.

A proper risk analysis implies a process consisting of three components: risk assessment, risk management and risk communication. The definitions according to Regulation (EC) No 178/2002 are (see also Zorn et al. 2009):

- *Risk Assessment* – means a scientifically based process consisting of four steps: hazard identification, hazard characterization, exposure assessment, and risk characterization;
- *Risk Communication* – means the interactive exchange of information and opinions throughout the risk analysis process as regards hazards and risks, risk-related factors and risk perceptions, including the explanation of risk assessment findings and the basis of risk management decisions. The exchange takes place between risk assessors, risk managers, consumers, feed and food businesses, the academic community and other interested parties;
- *Risk Management* – means the process, which is distinct from risk assessment, of weighing policy alternatives in consultation with interested parties, considering risk assessment and other legitimate factors, and, if necessary, selecting appropriate prevention and control options.

The Council Regulation (EC) No 834/2007 is one of the few governmental state organic regulations that introduces the term “risk” within the context of the inspection system.

Thus, the RBI is firmly embedded in the new EU organic Regulation, but because of the lack of specific rules or guidelines, it is implemented very differently in the different Member States and CB. Many CB have developed or are currently working on their own approach and version of risk-based inspections, defining their criteria individually, or with criteria provided by authorities or accreditation bodies. As a result these requirements may differ from country to country or even between regions.

At the moment there is no harmonized approach at the EU level regarding important key aspects/elements of the inspection and certification activity, such as the inspection rate, the unannounced inspection rate and the sampling rate.

Considering the above mentioned situation, the identified fundamental research thesis of the present study is that there is a need to harmonize and strengthen RBI approaches in the EU, in order to ensure a consistent implementation of the EU Regulation.

Therefore, the aim of the present study is to identify and analyse, in the organic farming context as well as in the other certification systems, existing common and best practices related to the RBI approach, and to evaluate their contribution to quality control, cost efficiency and acceptance by the organic sector.

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The RBI approach is thereby strongly associated with the Social Network Approach that is discussed in detail in chapter 5.

4.1 The current situation in the EU organic certification system

At the EU level, the RBI approach has been incorporated into the Regulation (EC) No 882/2004, the Regulation about official food and feed controls. This Regulation requires, as a general rule, regular risk-based controls with an appropriate frequency (Regulation (EC) No 882/2004 Article 3.1), but it does not provide guidance on what an “appropriate frequency” means.

The relationship between frequency of inspections and risk is addressed in the Preamble (Recital 13, Regulation (EC) No 882/2004). “The frequency of official controls should be regular and proportionate to the risk, taking into account the results of the checks carried out by feed and food business operators under HACCP based control programmes or Quality Assurance Programmes (QAP), where such programmes are designed to meet requirements of feed and food law, animal health and animal welfare rules. Ad hoc controls should be carried out in case of suspicion of non-compliance. Additionally ad hoc controls could be carried out at any time, even where there is no suspicion of non-compliance.”

Moreover, Article 3 (2) of Regulation (EC) No 882/2004 mentions that the official controls shall be carried out without prior warning, except in cases where prior notification of the feed or food business operator is necessary; official controls may also be carried out on an ad hoc basis.

Regarding the EU organic Regulation, as mentioned earlier, the RBI approach is firmly embedded in the Council Regulation (EC) No 834/2007 and related implementation rules. The Council Regulation (EC) No 834/2007 uses the expression “risk” in the sense of the probability of not fulfilling the organic Regulation. Article 27 (3) states that the nature and frequency of the controls shall be determined on the basis of an assessment of the risk of occurrence of irregularities and infringements as regards compliance with the requirements laid down in the EU Regulation itself. In any case, all operators, with the exception of wholesalers dealing only with pre-packed products and operators selling to the final consumer or user, as described in Article 28 (2), shall be subject to a verification of compliance at least once a year (Council Regulation (EC) No 834/2007, Article 27).

This means that every operator must have a minimum of one annual control visit. The only exceptions are two categories of operators: wholesalers that only deal with pre-packed products, and operators selling to the final consumer or user, provided they do not produce, prepare, or store any product other than in connection with the point of sale or import such products from a third party. Presumably operators within these categories were considered by the legislator to be of very low risk for the organic integrity.

Additional controls are determined on the basis of a risk evaluation and the type of those controls and risk factors are described in Article 65, Numeral 4 of the Commission Regulation (EC) No 889/2008, laying down detailed rules for the implementation of the Council Regulation (EC) 834/2007. In this article it is stated that “the control authority or control body shall carry out random control visits,

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primarily unannounced, based on the general evaluation of the risk of non-compliance with the organic production rules, taking into account at least the results of previous controls, the quantity of products concerned and the risk for exchange of products.” (Commission Regulation (EC) No 889/2008, Article 65).

According to the abovementioned Article, the legislator has identified three risk factors that need to be considered at least for the risk assessment of organic operators:

- Results of previous controls, meaning detected non-conformities
- The quantity of products concerned
- Risks associated with the exchange of products

Therefore, those factors have to be taken into account when evaluating the risk and consequently defining the additional control visits, which should primarily be unannounced. However, the Commission Regulation gives no indication of the appropriate minimum number of unannounced inspections, the minimum number of additional control visits and risk categories.

Similarly, sampling is mentioned in Article 65 (2) of the Commission Regulation (EC) No 889/2008, without giving a minimum number of samples required. The Article 65, paragraph 2 just states that “[t]he control authority or control body may take samples for testing of products not authorized for organic production or for checking production techniques not in conformity with the organic production rules. Samples may also be taken and analysed for detecting possible contamination by products not authorised for organic production. However, such analysis shall be carried out where the use of products not authorised for organic production is suspected.”

Moreover, another important element not fully clarified in the organic EU Regulations is the “completeness” of the inspection, i.e. whether the inspection visit has to cover all units and activities of the operator. Regarding units preparing feed Article 90 of the Commission Regulation (EC) No 889/2008, states that “The control visit referred to in Article 65 shall comprise a full physical inspection of all premises. Moreover, the control authority or control body shall make targeted visits based on a general evaluation of the potential risks of non-compliance with the organic production rules (...). All the premises used by the operator for the conduct of his activities may be checked as frequently as the attendant risks warrant.” This requirement is specific just for feed processors, not for any kind of operator.

Regarding the risk approach from the operators’ perspective, Article 63 of Commission Regulation (EC) No 889/2008 requires operators to draw up and subsequently maintain a full description of the unit and/or premises and/or activity. In addition, all the practical measures taken at the unit level and/or premises and/or activity must ensure compliance with the organic production rules, all the precautionary measures must be taken to reduce the risk of contamination by unauthorized products or substances, and cleaning measures must be taken in storage places and throughout the operator's production chain.

The situation described above clearly illustrates that, at the EU level, there is a lack of specifications regarding the RBI approach in organic agriculture. At the time of this study, there is just a draft document circulating titled “Guidelines on official controls in the organic sector“ (EC-AGRI, 2009). This includes a specific chapter dedicated to

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RBI, which suggests four risk classes: 0 – no risk, 1 – low risk, 2 – medium risk, 3 – high risk, with a defined number of additional visits and sample analyses.

Concluding, a result of the actual legislative EU framework is that different actors (countries as well as CB) have put in place different RBI approaches, all based on their own interpretation of the regulations. This potentially undermines the aim of the Council Regulation (EC) No 834/2007 which is to bring clarity, uniformity and harmonization.

In the EU organic regulation, many relevant risk factors that are used in risk assessment of farms and processors under other product certification schemes are not considered, for example: the timing of inspection, product type or origin, type, complexity and structure of the operator, operator organic history/experience, operators with a mixed production/processing system, a rapid increase in production, complaints and suspicion of fraud. These will be discussed partly in the following.

4.2 The current situation in other certification systems

Most of different certification schemes and inspection systems described in chapter 3 are based on a third party inspection system and an annual announced inspection, despite being very different in scope and objective. This is not the case for PGS, which is entirely based on peer reviews.

A comparison of different systems was made with regard to their use of risk elements in a RBI approach. Each one was evaluated to identify the use of self-assessment, inspection frequency, exemptions, additional inspections, unannounced inspections, re-inspections in case of groups, and risk categories. A true comparison was not always easy, because the different systems do not use a harmonized terminology, nor were there complete documents available.

4.2.1. Self-assessment

Most systems are based on a self-assessment carried out by the operator/group, which is then always evaluated by the CB in order to assess the risk. Criteria that a CB might consider include the presence of management plans, internal audits, self-assessment checklists and internal control system (ICS) manuals.

4.2.2. Frequency of inspections

Many schemes certifying operations of an individual operator or a group, foresee at least one announced, on-site audit every year. Some schemes predict going to a reduced number of audits, which would mean less than one audit per year for every operator.

For example, WFTO certification is strongly based on a biennial self-assessment carried out by its operators, supported by a continuous monitoring and peer review system. Under this system WFTO believes third party inspections are not necessary for all the operators, and only conducts third party random verification on 5-10% of its members. Additional third party verifications are done in case of complaints. No risk-

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based approach is cited in the documents reviewed for the selection of the 5-10% operators.

Likewise, MSC, in the standard for the chain of custody, reduces inspections to less than one inspection a year, according to the risk class of the operator (see 4.2.4). Where the risk is low, a reduced surveillance regime with an on-site inspection at 10-18 months from the certification date is applied, while in the case of very low risk, a remote reduced surveillance is in force, with just a desktop remote control at 10-18 months from the certification date.

FLO does not carry out annual inspections of all its registered traders, but focuses on high risk traders. During a three year certification cycle, after the initial audit, the low risk traders receive one desktop review and one on-site audit. In cases of very low risk, just two desktop reviews and no on-site audit are carried out; the on-site audit will be the certification renewal audit for another three years.

Compared to the EU organic regulation where it is compulsory that all operators (except wholesalers who only handle pre-packed products), have an annual inspection independent of their risk evaluation, it is interesting to note the approach of some voluntary schemes. Many of them reduce the frequency and type of verification to less than one annual inspection per year provided the operator is deemed to be low risk and/or there is a robust self-assessment and monitoring system in place.

4.2.3. Additional inspections

For the sake of this evaluation of schemes, additional inspections are defined as all the inspections carried out every year in addition to the annual/regular inspection. Although there is great variability between certification schemes, the approach is generally risk based. Additional inspections, that may be announced or unannounced according to different standard/scheme requirements, are usually carried out on operators in medium and high risk classes, where a non-conformity has been identified (e.g. UTZ), where there has been a complaint (e.g. WFTO), or if a significant increase has been recorded in area, production, group members, etc. (this is usually 10%, e.g. UTZ, GlobalG.A.P and MSC).

4.2.4. Unannounced inspections

Another element considered in the standard/scheme analysis was how unannounced inspections are managed by different schemes. According to the Council Regulation (EC) No 834/2007, additional controls should primarily be unannounced; however, the Regulation gives no minimum limit. In Italy, the RT-16 links the number of additional unannounced visits to the risk class of the operator: while it is recommended that the additional targeted visit for medium risk operators is unannounced, for high risk operators, it is compulsory that CB carry out a complete unannounced visit.

UTZ requires a minimum of 10% of its operators to have an unannounced inspection every year, in addition to the regular annual inspection. GlobalG.A.P applies the same rate to both its producers and grower groups, with a minimum of one unannounced inspection, which is risk based.

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While the above mentioned schemes require a percentage of operators to have an unannounced inspection, the SA8000 standard requires every operator to have an unannounced inspection, which is identified as the second surveillance audit.

4.2.5. Exemptions from control

Regarding the exemptions that determine who must be controlled and certified, the most interesting example comes from the NOP. Under this scheme, a production or handling operation that sells agricultural products as "organic" but whose annual gross agricultural income from organic sales totals a maximum of US \$5,000 is exempted from controls and the requirement to be certified. The operator still has to comply with all applicable organic production, handling, and labelling requirements. The products from such operations cannot be used as organic ingredients in processed products produced by another handling operation.

The legislator has probably considered that such small operators are sufficiently low risk for contravening the organic integrity, and therefore they are exempt from audit and certification requirements though they are required to comply with the regulation. Such a system is applicable in countries where there is a system to monitor operator turnover.

Other certification schemes, such as UTZ, also have exemptions. According to UTZ's Chain of Custody standard, it is not necessary for subcontractors to be certified, except in some special cases: they just need to have a self-assessment in place against the UTZ Standard. Also operators handling small volumes (e.g. less than 50 metric tons of green coffee per year) are not obliged to be certified.

4.2.6. Risk classes / Risk categories

Just a few certification systems use risk categories to classify operators. As the EC organic Regulations do not provide a risk classification system (there is just the EU guideline for group certification which defines three risk classes: low, medium and high), some CB and EU Member States have implemented their own system. For example in Italy several CBs and the Accreditation Body "Accredia" agreed on a definition of specific guidelines in 2005. The Technical Regulation No 16 (RT-16). The RT-16 states that: "Directives for accreditation of bodies issuing declarations of conformity of agricultural processes and products and food-stuffs produced by organic agriculture methods according to the Council Regulation (EC) No 834/2007 and following integrations and modifications". The RT-16 is a Regulation on RBI, which are based on a three risk category system: low, medium, high, resulting from an evaluation based on specific and defined risk factors.

Also other standards have defined a risk class system: MSC in the Code of Conduct for interim certification as well as the SA8000 standard have a three risk class system; while, FSC uses just two classes: a "low" risk and a "not low" risk class. On the other hand, FLO has four risk classes for traders, as well as MSC in the Code of Conduct. Based on the available documents, all the other certification schemes investigated do not appear to have a risk category system.

For every risk class identified, there is a corresponding inspection system being implemented. Usually the higher the risk class, the greater the number of inspections

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that are carried out. In the case of group certifications, the higher the risk class of a group, the higher the number of re-inspections. However, our analysis of how different CBs and schemes implement the risk based approach has shown that they vary considerably in how their way of responding to specific risk classes, especially regarding the audit frequency and the type of audit (on-site or off-site/remote/desktop review).

4.2.7. Procedure for sampling

Sampling procedures are clearly defined by both the Council Regulation (EC) No 834/2007 and the Italian RT-16. According to this Council Regulation, samples can be taken for testing of products not authorized for organic production or for checking production techniques not in conformity with the organic production rules. Samples may also be taken and analysed for detecting possible contamination by products not authorized for organic farming. However, such analyses shall be carried out where the use of products not authorized for organic production is suspected.

The Italian RT-16 stipulates that sampling must be related to the risk class of the operator: 25% of operators in medium risk class and 100% operators in high risk class. In addition, samples must be taken from operators in the low risk class whenever there is suspicion of contamination.

Other certification schemes evaluated for the study that define the sampling procedure are the Protected Design of Origin (PDO) and the Protected Geographical Indication (PGI) (Council Regulation (EC) No 510/2006). However, no reference to specific quantities was found in either scheme.

4.2.8. Inspection period

Another critical risk element identified by the present study is the time of year the inspection is conducted. Some schemes/standard such as GlobalG.A.P, UTZ, and FSC, clearly define the ideal inspection period. However, no organic certification scheme specifies any details, although some CB include some reference in their instructions, guidelines etc. GlobalG.A.P links the ideal period for an inspection to the principal crop on the certificate, while for UTZ the ideal inspection period is shortly before or during harvest. FSC requires the verification to be conducted in a timely fashion after receipt of the wood.

4.2.9. Stakeholders involvement

An element that particularly characterizes FSC, MSC and the SA8000 standard is stakeholder involvement. All three schemes require stakeholders to be involved and/or informed by the operators regarding the different assessment plans. MSC goes further, requiring stakeholder involvement during the whole certification process by the CB, together with a public consultation. The SA8000 standard requests CB to consult stakeholders in order to collect more information to create the operator dossier.

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4.2.10. Re-inspection rate in group certification

The critical element of group certification is the re-inspection rate, i.e. the number of producers in a group that is inspected by the external control body in addition to the control done by the ICS. The necessary re-inspection rate is often defined based on risk categorisation.

The EU 2003 guideline for organic group certification defines low, medium and high risk categories, and to each category it gives a corresponding specific number of members to re-inspect (AGRI/03-64290-00-00). The guideline lists some risk factors, including:

- factors related to the magnitude of the farms
 - size of the holdings
 - value of the products
 - difference in value between the organic and the conventional products
- factors related to the characteristics of the holdings
 - degree of similarity of the production systems and the crops within the group
 - risks for intermingling and/or contamination
- experience gained
 - number of years the group has functioned
 - number of new members registered yearly
 - nature of the problems encountered during controls in previous years and results of previous evaluations of the effectiveness of the internal control system
 - management of potential conflicts of interest of the internal inspectors
 - staff turnover

However, the guideline does not define the actual categorisation of risk and each certification body has developed its own system to assess a group's risk category.

This system has been adopted also by IFOAM and Naturland.

In addition, the EU guideline emphasises that where the external inspection body finds the ICS to seriously lack reliability and effectiveness it must increase the number of farms subject to an annual inspection to at least three times the square root of the number of farms in the group.

UTZ defines the re-inspection rate as the square root of the number of group members, with a minimum of five, and also GlobalGAP applies the same rate with the specification that the number can be increased at a CB's discretion, based on justifiable criteria, by up to four times the square root.

FSC calculates the re-inspection rate based on the verification that companies have to carry out on forest management units (set of similar forest units) with a minimum

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number that is 0.8 times the square root of the forest management units. This can be decreased to 0.6 for small or low intensity managed forests.

MSC has a very structured system for calculating the re-inspection rate, which is clearly risk-based according to the risk category of the group, and depends on the first or annual audit and the number of sites. The system also includes criteria for the selection of the sites to re-inspect.

Individual Member States have instructions for handling products with PDO and PGI, according to the product considered. Third party re-inspections can be done on a defined percentage of members, which in Italy has been set at 35%.

4.3 Suggestions to improve the EU organic certification system

4.3.1. Suggestion 1: Guideline on RBI

Guideline to harmonize the understanding of EU organic Regulation about Risk Based Inspection

The EU should prepare a harmonized and clear guidance on RBI to be applied in all Member States. The present system is inadequate as individual CB must develop their own procedures, which:

- Creates unnecessary development work for each CB; and
- Results in different practices between countries, creating an unfair system with distorted certification fees

The guiding document should consider all relevant risk factors, including market relevant factors.

	Organic operators	Competent Authorities	Control Bodies	Consumers
Acceptance	High	High	High	High
	Comments:			
Costs	Low	Low	Very low	
	Comments: This is concerned with short term and long term cost: initial costs are followed by savings once the system is in place; in addition, those with similar systems will already have lower costs			
Improvement potential	Very High			

Table 4 Summary evaluation for Suggestion 1

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One EU task force should be created, and all the stakeholders directly involved and/or affected should participate, contributing their experience (based on the ISEAL standard setting code principle).

It should not be just CB (which could have the EOCC acting as the platform), competent authorities and Accreditation Bodies (AB) who are involved, but also operators (i.e. producers, processors, wholesalers, traders) and consumers. In particular, consumers should have an opportunity to comment during the process, as this will result in fewer complaints later. Consumers represent the market and it is essential that they are involved.

There should be harmonization among the Member States themselves. Harmonization is also necessary at the EU level, as without it there will be a market distortion, unfair competition between CB and operators, and finally a loss of credibility.

Elements to be harmonized are: terminology, risk factors, risk categories, unannounced inspection rate, additional inspections and sampling rate.

Background considerations and justification

The Council Regulation (EC) No 834/2007 and the Commission Regulation (EC) No 889/2008 do not provide sufficient guidance on the implementation of a RBI system. While, on the one hand, it is open and general, and therefore allows flexibility (although strongly linked to Regulation (EC) No 882/2004), on the other hand it lacks important minimum RBI elements, which leads to different implementation systems and disharmony among CB. The statement "...the control authority or control body shall carry out random control visits, primarily unannounced, based on the general evaluation of the risk of non-compliance with the organic production rules" (Commission Regulation (EC) No 889/2008, Article 65) is too generic; other parameters should be defined.

Expected effect on the current EU organic certification system

Harmonization at the EU level of RBI systems, at least at a minimum common level, could improve the credibility of the sector, ensure fair competition between CB and between producers, and improve consumer confidence.

Expected acceptance

There is a common understanding, clearly demonstrated by the expert interviews and workshop results, that a harmonized RBI approach at the EU level, with a certain flexibility grade, will be positively accepted by operators, CB and Competent Authorities (CA). Consumers will also readily accept such an approach provided they are well informed and educated on the matter.

Costs evaluation

The preparation of this guide on the interpretation of the RBI approach could be linked to the development of guidelines on how to interpret the Council Regulation (EC) No 834/2007, as proposed in Suggestion 6 (Section 4.3.3.1). We assume that the costs for preparing both guides are similar. Although, there will be different processes to produce the two guiding documents, synergy effects between both processes might occur.

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The costs for CB and CA to implement this suggestion will depend on the extent of their engagement in the development of the common interpretation guide. Furthermore, the costs for CB and CA will probably increase in the short term, as dealing with new documents or new interpretations is always time consuming. By contrast, in the long run costs for CA and CB are expected to decrease as certifiers do not have to develop particular documents on their own.

Table 5 shows the overall costs for developing a common guide on the interpretation of RBI approach (or of the Council Regulation (EC) No 834/2007). Yet, it is not mentioned who should bear the costs. If the CB and CA interest in developing such a guide is large, they might be willing to contribute to a part of the costs themselves. Otherwise, if the EU sees such a process as highly relevant for improving the current organic certification system, the costs could be taken over by the EC.

ITEM	CALCULATION	COSTS (€)
Preparing for meeting, processing of results	2.5 days × 30 participants × 6 meetings = 450 working days × 500 €/working day	225.000
Travelling	30 participants × 6 meetings = 180 participants × 250 €/participant	45.000
	1.5 days × 30 participants × 6 meetings = 270 working-days × 500 €/working day	135.000
Meeting work	1.5 days × 30 participants × 6 meetings = 270 working-days × 500 €/working day	135.000
TOTAL COSTS FOR DEVELOPING THE GUIDELINE		540.000

Table 5 Cost calculation for Suggestion 1 (and for Suggestion 6)

4.3.2. Suggestion 2: Reduced control and Control exemptions

- a) Reduced control for low-risk operators
- b) Control exemptions for small operators

A special regime is proposed for the lowest risk operators and small producers that includes a reduction in the frequency (and costs) of on-site controls and the introduction of off-site and unannounced inspections. In addition, it could include exemptions where low risk operators are also small producers.

	Organic operators	Competent Authorities	Control Bodies	Consumers
Acceptance	High	Low	High	Low
	Comments:			
Costs	Low	Low	Very low	
	Comments: There are differences between short term and long term cost: initially higher costs are followed by savings once the system is in place; in addition, those with similar systems already in place will have lower costs than those who need to develop the system new.			
Improvement potential	Very High			

Table 6 Summary evaluation for Suggestion 2 (part reduced control)

	Organic operators	Competent Authorities	Control Bodies	Consumers
Acceptance	High	Low	Low	Very low
	Comments: This proposal might improve the system provided there is a monitoring system in place that checks individual small producers really do not exceed the threshold. Its implementation seems complicated, and depends heavily on the national culture			
Costs	Very low	Very low	Very low	
	Comments:			
Improvement potential	High			
	Comments: Control Bodies are able to concentrate on the high risk operations			

Table 7 Summary evaluation for Suggestion 2 (part control exemptions)

Background considerations and justification

One of the main costs of the organic certification system is the cost of on-site inspections, which includes time for organising the audit, travel time, time on site as well as for reporting and office work (see Stolze et al. 2011 for further details). Is it possible to decrease those costs by reducing and/or eliminating the number of on-site inspections, but maintaining or even improving the efficacy and credibility of the certification system?

The hypothesis is that it is possible to reduce the costly on-site inspections, provided there is a well implemented RBI system that correctly evaluates the operators in the

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lowest risk class related to specific risk factors. Some proposed options to replace the annual on-site inspection could be:

- To conduct one annual on-site control every other year, and in the year in between to conduct one off site (document review) control
- To conduct one annual on-site control every other year, and in the year in between to conduct an unannounced targeted (partial) control
- To conduct an annual unannounced control only on a specified proportion of operators (e.g. 33% of all the operators) in the lowest risk class

In addition, lowest risk operators that are also small producers/handlers could be exempted from the certification system. This suggestion is based on the consideration that small organic operators cannot afford certification costs, and provided they are long-term in the lowest risk class, an exemption could be made from the control system.

The definition of a “small producer” could be based on their organic annual gross agricultural income; e.g. it must be below than a certain threshold such as that defined by the NOP Regulation (5000 US \$ according to NOP Title 7, Part 205). It could be left to Member States to define the maximum limit for the gross agricultural income from the sales of organic products, possibly with reference to a proportion of average income or similar criteria.

Moreover, similar to provisions to NOP could be included that small such small operators must comply with the applicable organic production, or handling and labelling requirements, and can only sell their product directly to consumers, i.e. products from such operations cannot be used as ingredients identified as organic in processed products produced by another handling operation.

Expected effect on the current EU organic certification system

The main effects on organic certification system would be:

- Simplification of the system, and
- Access to the direct organic market for small-scale operators

Expected acceptance

On-site control is part of the EU organic Regulation and is considered a critical feature of organic control systems by CA and AB. Therefore, their acceptance of a reduction is considered likely to be low.

It was generally agreed by interviewed experts that an exemption for small producers, similar to the US model, would be applicable in Europe. However, it is essential that consumers are well informed of the system. Exempted farmers can claim to be organic even though they have no certification and the risk is that if consumers are ignorant of the system their trust in organic control could be lost. A solution may be that consumers become “active actors” in monitoring systems and to increase their involvement as stakeholders in new certification systems open to participative approaches.

This exemption approach for small producers is a credible option, but it guarantees the organic integrity only if there is also a system in place for notification/complaints

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to the authority by neighbours/consumers if they suspect fraud and a robust follow up system for all problems notified to the authority. The same applies for information gained during other inspections e.g. on food safety or other private schemes.

In addition, it is vital that there is a system in place to verify the threshold to benefit from the exemption is respected.

Cost evaluation

From a survey conducted among CB in the framework of the CERTCOST project we have calculated that the average time required for the control on-site is about 3.4 hours per operator over all controls that a CB conducts in a year. The total time that CB invest for a full control (i.e. preparation, post-processing, and keeping up-to-date) corresponds to an average for all controls in one year of 6.5 hours per operator (Stolze et al. 2011).

We estimate that substituting an on-site control by an off-site control could reduce the time for control by 2.5 hours per year, so that an off-site control can be estimated with a total time of 4 hours per operator.

From the data base on times for control we can calculate that the average time required for unannounced controls is of 2.3 hours, meaning a reduction in time compared to the annual control of about 1.2 hours.

Cost reductions for CB are calculated for the three options mentioned above (in the background conditions paragraph). An hourly rate of 60 Euros is used for the calculation. The average cost reductions per operator in one year are calculated as follows:

OPTION	TIME REDUCTIONS (IN HOURS)	COST REDUCTIONS (IN €/YEAR)
One annual on-site control every other year, in between one off-site (doc review) control for all operators	2.5 hours every second year ⇒ $2.5 \div 2 = 1.25$	1.25 hour / year × 60 €/ hour = 75
One annual on-site control every other year, in between one unannounced partial control for all operators	1.2 hours every second year ⇒ $1.2 \div 2 = 0.6$	0.6 hour / year × 60 €/ hour = 36
One unannounced control per year on 33% of operators in the lowest risk class	$2.3 \times 0.33 = 0.76$ instead of 3.5 ⇒ 2.74	2.74 hour / year × 60 €/ hour = 164

Table 8 Cost calculation for Suggestion 2 per operator and year

4.3.3. Suggestion 3: Off-site / remote control

**Off-site/remote controls instead of on-site controls
(in case of additional inspections)**

While one annual control remains an on-site visit in all cases, it should be possible to carry out additional controls off-site and/or remotely.

	Organic operators	Competent Authorities	Control Bodies	Consumers
Acceptance	High	Low	High	Very low
	Comments: Again, a decrease in on-site control is not readily accepted by competent authorities and accreditation bodies. It could be accepted by consumers provided they are well informed and involved in the certification system			
Costs	Low	Neutral	Low	
	Comments:			
Improvement potential	50 % High / 50 % Low			
	Comments: The issue is controversial			

Table 9 Summary evaluation for Suggestion 3

Background considerations and justification

In cases where the inspection plan – based on the operator’s risk assessment – requires further inspections to supplement the compulsory annual on-site inspection, it should be possible, where appropriate, to carry them out off-site or remotely. There are several examples in the alternative food certification system reviewed, such as MSC, FLO and UTZ, where remote and off-site controls are successfully implemented. The off-site control is mainly based on paper work, and depends upon the operator sending all the requested documents to the CB, while the remote controls are based on the possibility to check online and continuously significant information.

For example, the UTZ traceability system is based on an online data transfer from the operator to the UTZ database, making it possible to check online and to continuously monitor all relevant data.

There are also good examples in the organic sector regarding off-site controls, especially in case of crosschecks. One problem that could arise is a system that allows the registration of an off-site control to give the evidence that it has been carried out and can be counted as an additional control as required in the EC Regulation.

Expected effect on the current EU organic certification system

The expected effect is a higher and more efficient control of the flow of goods, provided that the operators are well informed/trained. However, less on-site controls by CB could reduce the probability of finding out non-conformities regarding the production methods applied by operators.

Expected acceptance

Consumers are probably unaware how the additional controls are conducted, just know that there are additional controls in place, which is the most important issue and a positive factor.

Acceptance of remote control is likely to be high among CB, provided they have a software system in place that is able to manage remote controls (such as those implemented, for example, by UTZ or Fairtrade).

CA and AB, however, are not likely to readily accept the additional controls being conducted off-site.

Cost evaluation

The total annual time needed by CB for a full control amounts to an average of 6.5 hours per operator (see Suggestions 2). If we estimate that an off-site control will include more work than if part of the control is done on-site, it can be estimated that this will take about 4 hours per operator. Consequently, the cost savings for a control body would be 2.5 hours per operator and year if they are controlled off-site. For the estimation of the reduction in costs, an hourly rate of 60 Euros is used. A further cost reduction is calculated for a second control that is done for 10% of all operators.

TIME REDUCTIONS	COST REDUCTIONS
10% x (2.5 hours / operator / year)	0.1x 2.5 hour / operator / year × 60 €/hour = 15 €/ operator / year

Table 10 Cost calculation for Suggestion 3 per operator and year

5 SECOND PROMISING ELEMENT: “SOCIAL NETWORK FACTORS”

Florentine Meinshausen

IMO

The “social network approach” analyses the potential of social network factors in strengthening the organic quality control system.

Two particularly promising social network elements were identified in the pre-assessment of interesting aspects to be evaluated in more depth in this section:

- Peer control or continuous monitoring by external stakeholders

External stakeholder consultation and feedback and a certain degree of peer supervision are an important element in many quality assurance systems. A new initiative using these methods to reduce the costs of social accountability certification for small and medium size certified operations in Italy is used as model case to evaluate the potential to reduce costs and strengthen the accountability of certification by means of monitoring and complaints by external stakeholders, including related (peer) organic operations.

- The “organic social networking approach” in risk based inspections

This approach is based on the assumption that an operator is less likely to be involved in fraudulent activities if he/she is embedded in organic social networks, such as, for example:

- Clustering/proximity of co-operating organic farms and related close exchange between organic farmers.

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- Active participation in organic farming associations, and trainings.
- Regular farm visits by organic peers, organic consultants or by auditors of other quality schemes.
- The “transparent farm”: the farm clearly displays organic signs, consumers are regularly present at the farm, the farm is used for organic farming demonstrations.
- Transparent marketing and traceability back to farm, e.g. marketing substantial amounts under a joint cooperative, marketing under the farm’s name, box schemes, or initiatives like “bio-mit-gesicht” (“organic-with-face”) or “Nature and More” that link the product directly with the farm.

All such networking activities invite feedback, strengthen self-responsibility and require a high tolerance for transparency of all processes regarding organic production. At the same time these activities allow cross-checking actions at various levels. This builds trust among the actors and should be considered when classifying an organic operation’s risk level - which finally determines the operation’s overall level of control.

The social networking approach is based on key aspects such as “trust” and “transparency” found in some alternative certification systems, e.g. PGS and ICS. In addition, it is embedded in concepts of social capital, studies of social networks that have been recently applied to organic production and marketing, as well as socio-economic analyses of organic farms and factors influencing their success.

5.1 Related Social Concepts in organic research

Most social requirements in organic standards, e.g. the social chapter in the IFOAM basic standards, focus on fair conditions for workers and not any wider social aspects such as social networking. However, looking at the development of organic farming over the past decades, there is no doubt that also wider social issues take a central position in the ecological movement and this is reflected in various publications dealing with organic sector development, production and certification.

Two main characteristics of the way organic farming is established in society point to a larger social movement: one is that organic farming developed through the joint efforts of many different interests. In addition to farmers, many other interested parties that are not usually involved in agriculture have contributed to developing organic farming practices: consumers, traders, scientists and civil society. The other social movement trait found in organic farming is that it is based on an open wish to change parts of agriculture on the basis of a deep criticism of certain elements of mainstream – or what organic farming has successfully defined as “conventional” agriculture” (Michelsen et al, 2001).

In addition to the theoretical concept of social movements, the concept of Social Capital is increasingly used in analysis of the impacts and factors for success in organic production. Organic farming is not confined to some particular agricultural practices; it also focuses on networking and cooperation among farmers, their farms and households, the farming community, the consumers and other stakeholders.

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Therefore, organic farming is considered to generate trust, cooperation and network among producers and other stakeholders; in other words it may increase social capital in the practising farming community (Rahman and Yamao, 2007).

The concepts of Social Capital and Social networks and embeddedness are therefore analysed briefly with regard to their relevance for this study followed by a section on local networking/clustering of organic farms.

5.1.1. Social capital, social networks and embeddedness

Organic farming and development research use the “social capital” concepts and its ramifications for analysing questions of community well-being and public policy. The term captures the idea that social bonds and social norms are an important part of basis for livelihoods (Rahman and Yamao 2007). The most common definition of social capital regards it as “features of social organization, such as networks, norms and social trust that facilitate coordination and cooperation for mutual benefit” (Putnam, 1995). Social capital is a way of conceptualising the social resources that an individual holds. From the perspective of the individual, these resources require to be part of a group and recognised as such, as well as having a set of social skills and competences to mobilise this capital (Lobley et al., 2005). Although there are many different descriptions of social capital, the three central elements are social network, norm and trust (Productivity Commission, 2003).

Rahman and Yamao (2007) apply this principle to organic farming and explore social capital creation by community based organic farming in Bangladesh. In their research they measured social trust and reciprocity that existed in the community in informal, generalized and institutional networks of two communities. The findings indicated that there was a statistically significant difference between organic and conventional farmers in regard to trust and reciprocity in generalized and institutional realms of social networks of the both communities. On the other hand, no significant difference was established between the communities in regard to trust and reciprocity in their informal network structure.

Narayan and Cassid (2001) compare different social capital dimensions across studies and investigate several factors as key underlying dimensions of social capital: membership in associations, participation in local community, proactivity in social context, crime and safety, neighbourhood connections, family and friend connections, tolerance of diversity, reciprocity, political engagement and subjective wellbeing. They then come up with suggested key dimensions of social capital: group membership characteristics, generalized norms, togetherness, everyday sociability, neighbourhood connections, volunteerism and trust.

The above mentioned dimensions of social capital relate to proposed relevant social networking factors that this study considers relevant for strengthening the organic quality guarantee system. Also other research on social capital supports the idea that social networking, trust knowledge and agreement of norms are of key importance in the organic guarantee system.

Lobley et al. (2005) propose considering aspects of the organic sector as being part of a social movement. The informal networks that characterise a movement and the importance of solidarity mean that organic farmers will find themselves involved in relations of trust with a wide range of sympathetic consumers. It also places them in

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the same organisations as other organic farmers from whom they can receive support and with whom they will have lower barriers to co-operate by virtue of their shared beliefs.

The knowledge needs of organic farmers are viewed as being very particular as they require the combination of knowledge about their specific farm and access to a body of knowledge that is relatively specialized. This seeking of knowledge benefits the organic farmer as in seeking this knowledge they become engaged with the wider networks of organic farming and they become 'knowing agents' (Morgan and Murdoch 2000).

Apart from social capital and social networks, rural researchers are also increasingly interested in the associated concepts of embeddedness as pioneered by Granovetter (1985). Entrepreneurial skill is not seen as being held by an isolated individual but is located within a cluster of other people with whom businesses collaborate, share knowledge and trust. This means that the transaction costs of the business are lowered, with skills being developed in particular areas where these networks exist and innovation stemming, in part, from the flows of information between such businesses.

In simplest terms, the embeddedness perspective points to the recognition that economic interactions are also related to non-economic connections. Individuals are not free of social relationships. They are embedded in a community and linked to others through networks of association (professional and/or social). While relationships based on trust and affection are considered to lower the cost of transactions in the market place, it is important to recognise that tightly socially bonded groups may be less reactive to changes and external stimuli because of those tight connections. Tightly bonded, inward facing groups can foster inertia rather than the dynamism associated with innovation and development. It was observed that innovation often stemmed from new information and such knowledge was most likely to come from associates who were infrequently seen (Granovetter, 1985).

In brief, all above analysed theoretical concepts that recently were applied to organic farming, confirm the important role of social relations and networking of organic farms and support to overall notion that social networks and interactions may be relevant factors to consider when assessing an organic producer's know-how, motivation and embeddedness in the organic movement and market, as well as the related risk of non-compliance or fraud.

5.1.2. Social networking and clustering of organic farms

In assessing social networking of farmers as means of strengthening the organic guarantee system the geographical proximity of farmers could be considered to be an important factor as organic farms in the neighbourhood are in the best position to "oversee" each other's organic practices, and local organic farm clusters feature prominently successful in participatory guarantee systems. Organic Farmers have a propensity to cluster together (Ilbery et al, 1999). Social networking of organic farms is particularly important for various practical reasons (transport, processing etc.) but also in terms of information and exchange on the practicalities of production (Rigby and Young, 2001).

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Other reasons why clustering of organic farms may be an indicator of increased quality assurance is that solving practical problems on the organic farm and remaining within organic standards may require the support of other organic farmers. Some research even suggests that a failure of organic producers to cluster together and to develop networks of association can endanger farm survival. The benefits of clustering and networking went beyond economic and marketing factors alone, geographical proximity to other organic farmers was also seen crucial in terms of information and advice on the practicalities of production (Rigby and Young, 2001).

In the expert interviews for this study, clustering of organic farms was considered a medium important indicator. With newer communication media, networking with other organic operators independent of their geographical proximity was considered to be as least as important as local networking.

Padel and Lampkin (1994) analyse the role of wider social networks in organic farming. Padel (2001) points out that knowledge networks take on a great significance within organic farming. Because of the bottom-up character of organic farming, the technology transfer extension approach is not proving to deliver all required knowhow and capacity. Instead a broad vision of a knowledge network with the involvement of producers, advisors and researchers should be aimed for.

The knowledge needs of organic farmers are viewed as being very particular as they require the combination of knowledge about their specific farm and access to a body of knowledge that is relatively specialised. This “knowledge deficit” benefits the organic farmer, as in seeking this knowledge they become engaged with the wider networks of organic farming and they become “knowing agents” (Morgan and Murdoch 2000).

Research confirms that social networks are the most common mechanism that brings information to organic farms, which is very important factor for sound organic practices. Information regarding organic farming may be obtained either by actively seeking and then talking to the individual that possess the required knowledge, or through routine everyday conversations without the intention to obtain specific knowledge (Lobley et al., 2005).

5.1.3. Relevance of different social networking activities

One of the questions researched in the Social Networks study was what social networking activities may be particularly relevant for the organic guarantee systems, i.e. what activities may be useful indicators to measure an organic operation’s embeddedness in organic networks and should be considered as relevant factor in determining the operation’s (social) risk category.

A preliminary list of indicators was assessed during the interviews with key experts. Identified important indicators were:

- Exchange and networking with fellow organic growers,
- Good experience and training in organic production, membership of an organic organisation that provides training and support in organic farming,
- Active participation in such organisations or the larger organic movement,

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- Organic farm being used for farm demonstrations or being regularly visited by peers, presence of consultants or auditors for other quality schemes on the farm,
- Marketing of the organic products under a cooperative scheme or traders with added quality control, and
- Marketing products directly or through schemes that link the product directly to the producing farms

A table of all proposed key indicators with the importance attributed to them by the experts is presented in the Annex. If a set of indicators is to be developed on EU level, the list and wording of indicators would need to be researched and tested in the field to ensure smooth and meaningful implementation.

While most of the above indicators were assessed mainly with regard to organic farms, it can be expected that a slightly modified list of indicators may also be of use when assessing the risk of organic processing and trading operations. Also for them it can be expected that social networking factors like embeddedness in the organic community, training level of management or key people, as well as presence of consumers, customers or colleagues in the operation, serve as additional indicators of the operation's risk of committing serious violations of the organic rules.

5.2 The current situation in the EU organic certification system

The literature review concluded that the present EU organic control system does not consider any social networking related aspects.

Although there is quite extensive research on social capital, social networks and embeddedness as relevant factors in organic farming (some references?), these factors are not yet systematically included in risk assessment and risk categorisations of organic operators. The production system, products and scale of the operation are commonly considered but not the producer's embeddedness in social networks with fellow organic farmers (see also section 4.1 on RBI).

The CERTCOST analysis of inspection data from more than 20'000 organic operators also concluded that present data collected by CB does not in most cases systematically cover any social factors, but expected that these factors would have high relevance in assessment of operations' risk, most notably information about the certified operator in terms of training, and experience in organic production. In some cases, the producer's membership in an organic farming association is recorded, but this is not uniform across different CB nor commonly used in risk categorisation (Moschitz et al. 2009). Also Neuendorff (GfRS, 2003) argues that the lack of social control in organic farming in Germany is one of the factors that increase the risk of fraud and that this also applies to traders who do not ask too many questions about the origin of the product.

In response to some of the problems associated with mainstream organic certification, a growing number of private – mostly marketing oriented - initiatives are emerging to go “beyond organic” in an endeavour to develop sustainable food systems. These initiatives include a re-vitalisation of farmers' markets and farm gate sales, the

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proliferation of community supported agriculture (CSA) and organic produce delivery programs, and the development of a number of alternative labelling strategies that typically focus on local sustainable food networks (Nelson et al, 2010).

The same tendency of farmers going beyond organic is described by Padel (2010) with the conclusion that such additional voluntary schemes may help to strengthen the producers' self-responsibility and could strengthen the overall EU control system. Such private "beyond organic" initiatives often incorporate social networking aspects e.g. by linking consumers more strongly to the organic producers they source from. Websites are used to provide portfolios and detailed information about the people behind the product, including their farming approach and ethics. Examples for such private initiatives that link consumers with in-depth information on producers are the "Nature & More Programme" and "bio-mit-gesicht" (organic with a face) made by the German organisation Naturland Marktgesellschaft.

5.3 The current situation in other certification systems

Social networking and social control mechanisms are important elements in PGS and to some extent also in ICS of producer groups. Organic Certification based on an ICS is included in this section, as the EU presently does not permit group certification with an ICS for producers in the EU.

Stakeholder feedback is a formal part in various alternative certification schemes, e.g. in FSC.

The following sections present interesting social networking, control or feedback approaches found in the analysed alternative certification systems in more detail.

5.3.1. Peer Control and other social aspects in PGS and ICS

PGS build on the foundations of trust, social networks and knowledge exchange. They encourage, and usually even depend upon, the active participation of stakeholders involved in the production, distribution and consumption of the product for guaranteeing the quality of the system (Nelson et al, 2010). Continuous social control and control by peer producers is a key feature of PGS as well as many ICS.

Social control works in the context of closeness and personal relationships, where everybody knows what takes place, and the management systems used are commonly known. The basic element of all participative certification approaches are the annual control visits by members (peers). Apart from the annual visits, there are other procedures which are used when there are suspicions or reports of inappropriate management, from anyone inside or outside of the group (Padilla and Guzman, 2009).

Peer review visits are carried out by extension workers and farmers that have practical knowledge in organic production. They include support activities. Consumers also take part in the visits and share responsibility for the quality guarantee system. In many PGS systems, farmers strongly believe in the principle that they can be trusted to 'be organic' and if that trust needs to be verified measured by another party, their integrity can be best assessed by their peers and community. The rationale is based on the idea that their peers have both a direct and indirect

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vigilance over each other's farming activities on an ongoing basis. The peer review system reflects this principle (IFOAM, 2008b).

The main consequence of a conscious breach of the norms is not only the withdrawal of the authorization to use the certificate but also the expulsion of the person in question from the group. The main sanction is therefore the withdrawal from the socioeconomic context established between producers and consumers, that is to say, from the relationships of mutual support, from the system of joint commercialization and from the exchange of experience and assessment. Moreover, there is a social sanction as all information is made public so that all people involved are aware of the results of the reports and the discussions on the different farms. In the event of slight or more serious mistakes, families are supported in the process of improving management or to recuperate the authorization of the use of the certificate. (Padilla and Guzman, 2009).

Social control is also important in group certification based on ICS. In both PGS and ICS of organised producer groups, farmers are usually involved in the decision on who is and who is not certified in their own local group. This means increased responsibility, but it encourages social control as an important compliance mechanism. Social control under a farmer group ICS can sometimes be very high as the products are often collected and sold jointly as a single lot, so that any deviating farmer can jeopardise the certification of a large product lot.

There are also ICS projects that are run by a central commercial unit (contract production) with usually less social control initiative and only very loose, if any, relationships between the growers under the same ICS. In this case, compliance decision are taken by the central commercial unit independent of the farmers, marking a very distinct difference to PGS, and the ICS may include social control to a much lesser extent.

However, social control also has various downsides and challenges. In his analysis of ICS for certification of small scale organized organic producers in Mexico, Mutersbaugh (2002) notes that the ability to judge another producer as a poor or good farmer in a manner that affects the market price of his or her product, to demand that specific horticultural activities be undertaken during the coming year, and even, perhaps, to deny certification certainly goes beyond traditionally accepted interventions. He also notes that conflicts often arise in situations where the organic certification of one producer is dependent on the practices of another.

Although PGS does not function in precisely the same manner as ICS, by agreeing to the peer review style process, the producers also surrender a certain amount of autonomy to fellow producers and community members (Auld, 2010)

In Mutersbaugh's research in Mexico there was evidence that these approaches could sometimes lead to conflict. In particular for producers, concerns about one's own eventual evaluation by the certification committee could affect judgment in other peer evaluations. This issue manifested itself in two ways. In some cases, producers were very easy on their peers in the hopes of receiving an easy evaluation themselves. In other cases, feelings of competitiveness and a desire to achieve high standing within the group caused some producers to be overly critical of their peers. These kinds of conflicts were not limited to producers. Rather, interpersonal conflicts and strong differences of opinion amongst all committee members presented a

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significant challenge, and the ideals of equal participation, horizontality, cooperation and consensus building were often difficult to effectively put into practice (Mutersbaugh, 2002). Michelsen (2001) notes that these kinds of issues are typical of self-regulatory organic systems, as all members of these systems will tend to be biased in some way.

Another interesting social aspect in PGS is the group organization on the lowest level. In a New Zealand PGS group studied, farmers are organized in micro-groups (pods) that are part of a bigger regional group. The ideal pod size is said to be around 4-8 farmers. All pod members must be present for each of the peer reviews, on each of the properties in their pod. In general a pod can review 4 properties in a day, thus a pod of 8 persons takes 2 days to complete (IFOAM, 2008b) Small to medium size local subgroups, e.g. village groups, are very common in every group organization (both PGS and ICS groups) but micro-groups are much more present in PGS.

PGS often promote proximity to consumers as part of the quality guarantee – through direct selling or visits to the production units. Padilla and Guzman (2009) analyse the theoretical social concepts behind participatory systems and find that PGS are based on local spaces of direct exchange and mutual knowledge amongst producers, and with consumers. In this way the intrinsic capacity of the producer's social environment is used to ensure that an ecological management system is being carried out. The social environment is composed of neighbouring producers, consumers who buy directly and have established a close relationship with the producer, and the local technical administrations or consultancy NGO (Padilla and Guzman, 2009).

5.3.2. Peer Control and Stakeholder Feedback in other alternative certification systems

Many other certification schemes, such as for example GlobalG.A.P, UTZ certified, Rain Forest Alliance or FSC have group certification mechanisms, and allow certification of a group based on an ICS. In 2008, ISEAL Alliance published common requirements for producer group certification that shall lead to a further harmonisation of group certification requirements (ISEAL Alliance 2008), but these do not add any additional social components other than those already discussed for organic ICS. However, international standards like e.g. FSC and MSC have a very interesting additional social component: the active involvement of stakeholders in the certification process.

Stakeholder consultation provides an essential and effective means of verification for many indicators of the FSC Standard. National and local stakeholders can provide relevant information on the applicant's compliance with the environmental, legal, social, or economic requirements of the FSC. Such stakeholders include local and national government and NGO involved in forest management, as well as individuals and members of communities directly affected by the forest management (FSC, 2009).

Many other certification standards include more or less formalised procedures to collect and address external stakeholder feedback on the certified operations. A

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particularly interesting example was found in Italy, where an SA8000 certifier started the Social Accountability Watch (SAW) Online platform.

Operations that wish to obtain SA 8000 certification can volunteer to be monitored externally and get rewarded by the lowest risk category with regard to required audit days. SAW engages with key stakeholders and organisations as monitors and also any member of the public can send comments on certified operations. These comments are directly forwarded to both the certifier and the certified company, who can react to the complaint. Complaints and comments are only being followed up in preparation and during the next update audit visit (which is often every 6 months) and are not public. The system is considered best practice by SAI and works well in Italy where a significant number of monitors participate. In practice, few complaints are registered, but it still substantially adds to the credibility of social certification to have this anonymous whistle blowing mechanism (Valli, 2010).

5.4 Suggestions to improve the EU organic certification system

5.4.1. Suggestion 4: Consider social networking in risk assessment

Social Network Risk Factor

Social networking factors are used as additional indicators to those already used by CB in determining the organic operation’s risk class (i.e. low, medium, high).

	Organic operators	Competent Authorities	Control Bodies	Consumers
Acceptance	Partly low / partly high	Rather low	Rather low	Rather low
	Comments: While individual expert interviews showed very good expected acceptance of this approach, the rating of acceptance was rather low during CERTCOST expert workshop. As argued below, at least medium good acceptance can be expected if a practicable simple way can be found to include networking factors in a new proposed EU wide harmonised risk categorisation approach			
Costs	Low	Very low	Partly low / partly high	
	Comments: Expected that costs remain roughly unchanged. There are a few added costs for operators and CB for assessment of networking activities but socially active organic producers will be rewarded by fewer costly additional controls. CA would benefit from a more efficient risk system at the same costs			
Improvement potential	Very High			
	Comments: All experts agree that this suggestion has very high potential to strengthen and improve the existing system.			

Table 11 Summary evaluation for Suggestion 4

Background considerations and justification

The operator’s experience and training in organic production as well as social networking factors are certainly relevant factors to be considered in an operation’s

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overall risk categorisation. At present, risk class categorisations are not yet harmonised at EU level and in most countries not even at country level. As suggested in the RBI section (4.1), a harmonised new system is strongly recommended and as part of the new risk categorisation methodology social networking indicators could also be used. This could be done in two ways:

- Use of a handful of key social networking factors in addition to a variety of other relevant risk factors in the overall risk categorisation matrix of any operation. Depending on the risk categorisation approach agreed in the EU, some risk factors could have more weight than others (see also discussions in the RBI section).
- Definition of an accumulated “social networking risk factor” and using this social networking risk factor to lower or increase the risk category based on operational data. E.g. a farm is categorised as medium risk because of its crops, animal husbandry, and size. If it is an exceptionally socially active farm the final risk categorisation would be low risk. If it was not at all embedded in social networks, the same farm would be categorised as a high risk operation.

Overall it can be expected that option 1 would be better accepted as it uses some social networking factors amongst various other factors in the risk assessment. Option 2 gives social networking a higher weight in the overall risk assessment which could provide incentives for operations to take self-responsibility and engage in social networking beyond minimum performance – which has been repeatedly described as an important future strategy for the organic sector (e.g. in Padel 2010).

Both options could also be installed as voluntary instead of making them part of a compulsory risk assessment system. In such a voluntary system only those who want to be evaluated against social networking criteria will be evaluated and by this have the chance for a lower inspection frequency.

Expected effect on the current EU organic certification system

All experts agree that social networking factors can be very important and should be considered in risk assessments, although of course not as sole risk factors. The expected effect from including such factors in a risk based inspection approach is a more accurate risk category for operations. In particular this is relevant for operators with a very low degree of organic social networking, who can be reasonably expected to have a higher risk of serious violations of the regulation or fraud. Assigning higher risk categories for such operations would result in more control and adequate risk focus during their audits.

As mentioned above another expected effect of the suggestion is that it would help to encourage operators to become active, well informed organic producers, embedded in social networks and working beyond minimum compliance.

Expected acceptance

The acceptance of the approach certainly depends on the chosen way of implementation, most of all on the extra efforts required for the networking risk assessment. Very active operators may like the approach which values their activities and engagement, while other operators with low social networking activities may not consider it relevant or may even feel disadvantaged.

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Costs evaluation

Expected added costs for operators are low, , as marginally longer control times and extra time to update the farm questionnaires with regard to training and networking activities are estimated.

Assuming that risk categories are at least briefly re-evaluated annually, social networking aspects would require approximately 10 minutes extra audit time every year. Updating related information in the farm description can be estimated to take the producer another approximately 10 minutes/year. This would amount to total additional time of 20 minutes per operator. Calculated with an hourly rate of 60€, this would amount to costs of 20€ per operator and year. The costs for developing the good indicators for social networking could be integrated in the costs discussed for developing a harmonised guide for an EU wide RBI approach (see section 4.3.1.1).

As this indicator would be used for the overall risk classification of an operator, highly socially embedded operators could profit from being assigned to a lower risk class (and therefore controlled less frequently) while operators that are not embedded in the organic farming community would be assigned to a higher risk class with more controls. In conclusion, combined with a risk based approach, this suggestion would shift costs from very engaged operators embedded in various organic networks to those putting little effort into training, promotion or interaction with peers.

For CA a stronger, more holistic risk approach would strengthen the system at the same cost.

5.4.2. Suggestion 5: Monitoring / watch Institution

Monitoring / Watch Institution for organic operations

One or several organic monitoring/watch institutions are set up which motivate local watch partners and the public to monitor organic operations. Organic operations can opt to be monitored and would be “rewarded” by lower risk category and hence slightly less additional control. The proposed watch system is recommended to be online based.

	Organic operators	Competent Authorities	Control Bodies	Consumers
Acceptance	Very low	Low	Partly high / partly low	Very high
	Comments:			
Costs	Very low	Low	Partly high / partly low	
	Comments: Costs for implementing the basic system are low, but promotion of the platform to watchdog institutions is needed			
Improvement potential				
	Comments: Experts cannot agree on improvement potential. About half of the experts think it could strengthen the existing system at very low added costs while others think it may promote denunciations and result in high added costs for detailed follow-up on every allegation raised			

Table 12 Summary evaluation for Suggestion 5

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Background considerations and justification

Though many CB accept complaints about operations certified by them, consumers and organic operations do not have a central or nationwide body to raise doubts about a certified operation and whistle blowing is not encouraged. Employees or outside observers noticing irregularities must make a considerable effort to find out the operation's CB, get personally in touch with the right CB and raise a formal complaint which then must be handled according to very time consuming and expensive complaint procedures. There are examples where whistle blowing to USDA worked in the US and often the doubts are raised by organic watchdog institutions, e.g. in the case of a fraudulent certificate from Chinese suppliers exporting soya to the US, discovered by a US based watchdog organisation (sustainablebusiness.com, 2011). The example of SAW in Italy provides another example of an online watch platform where registered monitoring organisations as well as any member of the public can raise their concerns with the primary aim to encourage further investigation of raised issues and allow better risk focus. Complaints raised are automatically forwarded to both the concerned operation and the CB and the operator is encouraged to respond directly – all of which is traced online. Before the annual audit the CB verifies all issues raised for the respective information and follows the information up as additional audit focus.

Expected effect on the current EU organic certification system

Most experts agree that although this approach contains interesting elements it may not be suitable for a legal system like the organic regulation and may be too prone to encourage competitors denouncing each other, with expensive and time consuming follow-ups involving also CA. Furthermore, the interviewed experts expressed doubts that outside parties would be able to notice fraud and irregularities. Close peers or employees normally know the CB and could contact them directly if required.

However all experts agreed that better systems of complaints or whistle blowing would strengthen the organic control sector. So far the EU does not have a central institution to raise concerns or suspected fraud to in a practical way. Those who raise complaints often experience that their information is ignored because certifiers are not sure how to handle the information and long follow up discussions and proofs by the whistle blower are expected in order to start any investigation of the matter.

Thus the expected effect of the watch institution strongly depends on details such as organisation by the EU or per country (e.g. through farmers associations), agreed procedures to follow up information received, including clear rules at what point also CA must be involved in the investigations. A very simple voluntary professional online based system that is only used as added information for regular audits may improve the system if it is well promoted and used properly. Serious and very substantial allegations backed up by facts would need to be handled separately as formal complaints as up to now.

Expected acceptance

Overall acceptance of the system by experts has been rather low with exception of Italian CB that have experienced the added benefits of the SAW. CB are expected to have mixed reactions to the proposal. It may result in more work, but can contribute to a better focus on risk and improve the transparency of procedures how to handle complaints. Consumers are expected to accept the proposed new system well.

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Costs evaluation

Costs for this suggestion occur at three levels: first, harmonised procedures how the received information is handled have to be agreed on between all stakeholders in the organic sector (CB, CA, farmers' organisations, retail organisations etc.). These costs might be included in other suggested processes of harmonisation between CB and CA (see other suggestions in this report), as the procedures would similarly need discussion between the same people. Second, an online platform needs to be implemented. If the already implemented SAW system could be used as basis, these costs could stay fairly low. Yet, the costs will depend on the level at which the watchdog institution would be implemented. The third element refers to the costs for promoting the platform. The most effective way would be to closely link the institution with existing organic farming promotion and quality assurance institutions.

If the system results in more denouncements it may result in slightly longer control times for some operations, but the majority of operations in the system would benefit from a lower risk category and hence save on additional controls.

6 THIRD PROMISING ELEMENT: “CAPACITY BUILDING AND TRAINING”

Iris Förster and Heidrun Moschitz

IMO and FiBL

This section deals with capacity building and training of the different actors in the certification system. Organic farming is a knowledge-intensive way of production, and controlling for the correct implementation of organic standards requires specific expertise. Increasing capacities in the certification and control system both at the level of production, inspection and control therefore can contribute to improving the system as a whole.

The accreditation norm for CB, ISO/IEC 65:1996 / EN 45011, specifies that CB shall not “give advice or provide consultancy services to the applicant as to methods of dealing with matters which are barriers to the certification requested.”

Advice is meant here as specific suggestion for one operator, usually given individually on-site. **Training**, in differentiation to advice, can be described as general explanation of standards, methods, etc., given normally to a group of people. While the focus of each is differs, both are summarized here as measures to **build up capacity**. In European countries the advisory service for organic operators includes also training elements, while training as a term is often used for teaching organic agriculture at schools, colleges, and universities. Although generic trainings could be offered by CB, complementing their inspection and certification work, it is usually done by other institutions - perhaps this is also due to a lack of clear delimitation between advice and training. Both kinds of measures are described in the following

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section, giving an overview about how capacity building is done in EU countries and by other certification systems.

The most obvious reason for training people is to **ensure and increase their qualifications and skills**. Besides following the organic standards in their day-to-day practice, producers have to know what to do to fulfil the formal requirements in the certification process. Organic inspectors need excellent knowledge of the organic standards, and about how the respective organic operation functions. Similarly, those who audit and accredit organic CB have to understand the particularities of the organic sector to produce satisfying results. It has been shown in other certification systems, such as HACCP and FSC, that good qualification of personnel along the whole control chain from authorities via accreditation and CB to the producers enhances the quality of the actual implementation of the standard (Maletz and Tysiachniouk, 2009; Williams et al., 2003). We can see this qualification aspect as the basis for a functioning control and certification system.

In a system that is not restricted to one country, and implemented by a large number of supervisory institutions and CB, it is furthermore an important role of training and capacity building to **contribute to a common understanding of the system by the different actors** involved. Currently, there are almost 200 CB registered in the EU, certifying organic operations in the EU as well as in exporting countries. Each EU member state needs to have an AC to authorise these CB, and national and/or regional CA in the countries to supervise and approve them. Organic produce is traded worldwide. The Council Regulation (EC) No 834/2007 builds the common basis for all organic producers in the EU. With the new EU logo in place, a step was taken to increase a unified appearance of organic produce throughout the EU. The regulation also aims at a harmonised control and certification system, to which training of involved persons can contribute. This assumption is supported by the example of HACCP. As Williams et al. (2003) have shown, a common training of HACCP auditors has the potential to build a common interpretation of (HACCP) standards and practice. They indicate a number of reasons to collaborate internationally in applying HACCP principles (Williams et al., 2003, p.118): a complex and fragmented food chain that crosses national boundaries, increase of international trade in food, increasing number of food establishments, increasing diversity of products and technologies, consumers' expectations about similarly high standards of imported and domestic food, and an increasing need of consumer assurance due to globalisation. These aspects are also valid for the organic sector. We can therefore assume that capacity building of all actors involved can harmonise the understanding of the organic standards, and improve the certification system.

6.1 Overview of the situation in the EU organic certification system

6.1.1. Organic operations: producers and processors

Regarding training and capacity building of producers, European countries have developed different methods of providing advisory and extension service to organic farmers or conventional farmers interested in conversion to organic farming (to a

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lower extent, such extension is also available to organic processors). So far there is no harmonized concept, sometimes not even in one country. Not only the access to adequate consultancy service, but also the individual costs for such service vary in Europe. Often, farmers' organisations offer advice, so membership in an association can be a relevant variable for the access to advice.

The topics of training vary from organic farming (or processing) practices to special trainings during the conversion period, reporting tools, regulations, getting subsidies, and marketing of organic products. The methods used for extension service vary from individual farm visits, group trainings, trips to other farms / model farms, regular meetings (Stammtisch), courses, and seminars. Many countries complete the service with internet platforms and leaflets for organic farmers.

- **Countries with private and state-funded services**

In many countries the advisory service is coordinated and developed by different farmer's associations. For example, in Germany the "Bundesprogramm Ökologischer Landbau" subsidises training of farmers to convert to organic production. The programme pays up to 50% of the costs of producers training (up to 2000€) if the advice/training is provided by a registered training provider which are various organic farmers associations and specialised foundations. The programme also subsidises costs for various other training, workshops and other educational activities to promote organic products to consumers (BÖLN, 2011).

In some countries, the farmers organize their own courses: For example in Sweden it is popular that farmers, in addition to other services, do also form their own "experience groups" to develop their competences (Swedish Ecological Farmers Association, 2000). Denmark has an extension system which is owned and run by the farmers themselves and consists of two levels: the local advisors who are supplied by the National Centre with the latest information within specialized areas of agriculture to bridge the gap between agricultural research; and local advisory services and farmers (Norfelt, 2005).

- **Countries with mainly state-funded services**

In only a few countries the government finances the advisory service completely or to a great extent. In Lichtenstein every approved organic farm may get up to 1.5 days consultation through a private consulting office. While the government finances 90 percent of the related fees, the remaining 10 percent must be paid by the farmers themselves (Kopp & Büchel, 1999). In Switzerland the state advisory services of each canton offer technical advice for farmers. The focus is on technical support during the conversion period as well as on micro-economics (subsidies etc.). In the United Kingdom there was an "Organic Conversion Information Service", funded by the Ministry of Agriculture, Fisheries and Food. It provided a dedicated telephone helpline, and free advisory visit of up to 1.5 days from advisers "to help the farmer decide whether conversion is a viable proposition" but was closed in 2011. There is a need for practical advice for farmers past this stage. Although such advice does not have to be provided by the Ministry directly, it is seen as requiring funding and planning by the Ministry to ensure that the level of service meets the demands (Agriculture Committee Publications, 2001). Norway has launched an important public financed program called "Free Premier Advice for Farmers": "This program means that every farmer can request one first free-of-charge-advice from an advisory

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unit concerning transformation of his / her farm to organic” (Sogn, 2004; Loes, 2011). In Hungary, training courses for organic farmers have been sponsored by the state since 1996. The farmer’s participation in training was even made a condition for direct payments – but this has changed since accession to the EU and the financing has become uncertain (Kovács and Frühwald, 2005).

- **Countries with only private services**

In the Netherlands technical advice is only provided by private consultancies; also a former government institute for this has been privatised (Melita, 2008). In Greece there is no official advisory service but some self-employed agronomists offer training and extension work. Because of the need for advice, many agronomists who sell pesticides have started to inform themselves about organic agriculture to meet their client’s needs for permitted fertilisers and means to cope with production problems (van der Smissen, 2001).

6.1.2. Control Bodies and Competent Authorities

With regard to the responsibilities and requirements of CB and CA, the Council Regulation (EC) No 834/2007 (Art. 27) refers to the Regulation (EC) No 882/2004 on “Official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules”. Here we find statements on the qualification required for carrying out control and certification of businesses involved in organic food production (see also Padel 2010, p.49). This regulation is implemented in the Member States; however, the general idea behind is food safety and it is not specifically made for ensuring a process quality as needed in organic farming.

There are no specific training requirements mentioned in the Council Regulation (EC) No 834/2007 and related laws for the staff of CA working in organic certification. Across the EU, there is a lack of consistency and transparency in the application of the regulatory framework in relation to how CAs approve and supervise CB and enforce the organic regulation. In addition, there are no harmonised procedures on how to deal with irregularities and infringements as well as with penalties and follow up procedures. Co-ordination between different actors in the control systems is missing. In Germany – an example where harmonisation between the different bodies is already practised –, CA located at the Federal State level (Länder) do supervise CB in the organic system. Therefore, harmonisation between the 15 CA is aimed at. For this purpose, a working group was established to coordinate work between the competent authorities, the “Länderarbeitsgemeinschaft Ökologischer Landbau” (LÖK). The working group meets three to four times per year to discuss issues related to the implementation of the EU organic regulation, and to find uniform procedures. Representatives of the CB are invited to attend specific parts of these meetings. A data base has been developed that stores all decisions taken by the LÖK since 1993, and is publicly available in internet (BLE, 2011).

With regard to the CB, organic inspectors are mostly trained and qualified by the CB they are working for. This training take various forms, depending on the CB. Although qualification of the inspectors is high in many cases, harmonisation between the CB is lacking, and their interpretation of standards and implementation may vary. Standard owners train CB’s staff in particular for regulatory issues that go beyond the

EU standard. Such trainings support a similar interpretation of the standard by different CB (i.e. their staff).

6.2 The current situation in other certification systems

While various organic CB in Europe provide some training opportunities for their customers, a look at other certification systems shows some more options for capacity building for farmers and processors.

6.2.1. Organic operations: producers and processors

- **Obligatory training**

JAS and Bio Suisse have made training of key persons in organic operations an obligation before certification.

- **JAS**

Aim of the seminars is that “certifying bodies shall inform the contents of the JAS Law and the objectives and structures of the inspection and certification system of organic foods under the JAS Law so that certified operations are able to properly conduct grading” (MAFF, 2006b). The so called “production process management director” in a JAS operation is in charge of control of the production processes and the one who shall complete the seminar (MAFF, 2005). Similar requirements exist for directors in processing facilities, livestock operations and re-packer’s operations. The seminars can not only be held by the CB but also by other organisations such as JAS Association. The implementation of these requirements for seminars differ a lot between CB: while one certifier provides training on the occasion of its inspection visits, the other makes training only during an additional visit; and one certifier uses only a questionnaire/test that must be filled by the relevant staff. Several certifiers also offer continuous training instead of the obligatory one-time training. The content of trainings is evaluated during accreditation visits of the certifiers. If necessary, the accreditation body (which is called FAMIC) requests improvements. The percentage of costs for training is about 5-10 % of the overall certification costs. A possibility to reduce the need for training or to facilitate trainings would be to make the standard and certification criteria better understandable / more detailed (Kiyofumi, 2010).

- **Biosuisse**

In Switzerland people who wish to convert their operation or start to manage an organic operation certified by the organic farming organisation Bio Suisse are obliged to complete a training course of at least two days, informing them about the background and methods of organic agriculture. Alternatively, relevant professional experience on an organic farm for at least one vegetation period, elective courses in organic farming during agricultural apprenticeship or apprenticeship on an organic farm, not longer than four years ago, are also accepted.

- **Optional training**

Optional training to bridge the gap between certification requirements and the knowledge of operators includes the following material and information:

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- Training tools / implementation guides (FLO, UTZ, FSC, MSC, NOP, Rainforest Alliance),
- Lists of suitable consultants (UTZ, FLO),
- Qualification and approval of trainers (GlobalGAP, UTZ, Rainforest Alliance), and
- Tools for self-assessment (UTZ)

While materials are generally available for free, the costs for trainers and consultants must in most cases be borne by the operators. Below the details of the different standards are described.

○ **NOP**

The NOP has recently published a “Program Handbook” on their homepage with the goal is to provide certifiers and organic operators with guidance and instructions that can assist them in complying with the regulations. The Handbook includes two types of documents: 1. guidance, which provides interpretation of NOP statutory or regulatory requirements, and 2. instructions, which informs about best practices for conducting certification, accreditation, etc. As useful for organic operators, it lists for example types of records that should be maintained by an organic operation. Furthermore the US Rodale Institute, pioneering organic farming since 1947, has developed an online “Organic Transition Course” in partnership with the USDA Risk Management Agency. It is available for free and designed to help people understand the NOP standards and use them as a framework for making the transition to organic production.

○ **FSC**

FSC offers on its homepage guidelines to specific topics, for example how to comply with special standard requirements or guidance for small holders about how to access certification. With sample documents, key actions listed, case studies and step-by-step guides such guidance could be helpful in preparing oneself for inspection and certification.

○ **MSC**

MSC provides training courses in form of power point presentations which can be used by different users of the MSC label to educate their staff on the requirements of the standard, and in particular to prepare for inspection and certification.

○ **FLO**

FLO has published different training manuals for clients on their homepage. For example one is how to develop and implement internal control systems so that the organization can meet the relevant standards. The manual includes general guidance as well as information how to implement the control system and several checklists and sample records that could be used. Furthermore a list of suitable consultants, including their profiles, is provided together with the request for feedback about the consultant after collaboration. A “Consultant Evaluation Form” is included for this purpose (FLO, 2004).

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○ **GlobalGAP**

Recognizing the global need for training, a system was developed to qualify and approve trainers. The trainings offered to farmers are seen as a voluntary facilitation towards certification. GlobalGAP offers so-called “Train-the-Trainer” Workshops for all interested parties. When the attendees are members of GlobalGAP respectively affiliated with an organisation that is a member, they may pass an exam and become approved “Train-the-Public” trainers. By this a sufficient number of qualified trainers should be guaranteed. The trainers have to organize their training sessions themselves, and GlobalGAP gives as a minimum requirement to cover the current General Regulations and the Control Points and Compliance Criteria. In order to maintain their status, approved trainers need to attend and pass a one-day update-training course and exam, offered by GlobalGAP, during the transition year after a new version has been launched.

○ **UTZ Certified**

When producers are registered and work towards certification, UTZ can provide them with information about trained agronomists. These agronomists are specifically trained in assisting producers to comply with the UTZ Certified Code of Conduct. Thus they can give advice on practical implementation of elements of the Code and give directions on improvement of efficiency in farm management. Only when the producer is ready to get certified he shall contact a CB. Additionally comprehensive implementation guides are available online.

○ **Rainforest Alliance**

Rainforest Alliance has published interpretation guidelines, explaining how the standard is interpreted and applied to particular situations. Two types of guidelines exist: the generic interpretation guidelines provide guidance for farmers how to implement the standards on their farm; and local interpretation guidelines explain the meaning of the criteria of the standard in the context of local conditions or for a specific crop. These guidelines are not binding for the certification process but contain indicators. Rainforest Alliance also has a team of experts that supports farmers, they organize training workshops and diagnostic visits, and provide training materials such as posters, manuals and videos and an online training platform (to be launched in early 2011). Rainforest Alliance instructs trainers around the world in order to meet the high demand for training and calibrate the quality of the training programs.

○ **HACCP**

The Regulation (EC) No 852/2004 prescribes the application of an HACCP concept for all companies dealing with production, processing and distribution of foodstuff; but it does not apply yet to primary production. Chapter XII of this Regulation deals with training: “Food business operators are to ensure: 1. that food handlers are supervised and instructed and/or trained in food hygiene matters commensurate with their work activity; 2. that those responsible for the development and maintenance of the procedure [...] have received adequate training in the application of the HACCP principles; and 3. compliance with any requirements of national law concerning training programmes for persons working in certain food sectors.”

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There is no harmonised HACCP training concept across countries or at the national level; training is offered in various forms by different private bodies in Europe. Food companies must keep updated documents and records to be able to demonstrate their internal HACCP-concept towards the relevant authority. But it is the company's decision what kind of documents and in which complexity they are kept. Basically HACCP is a "do it yourself control system" without a third party control system as visits by the food supervisory office are infrequently done. Therefore, it gives more responsibility to maintain food safety and adherence to the standard to the operators and also more flexibility to the operator about how to implement the requirements.

6.2.2. Control Bodies and Competent Authorities

Training curricula are provided in different ways from various standard owners. For example, the worldwide overview of IFOAM training on organic farming and certification on their website includes "train the trainer" material, the International Organic Inspection Manual - IFOAM/IOIA (Riddle and Ford, 2000) and a training manual on accreditation (Crucefix, 2006). In addition, the IFOAM webpage hosts a "Training Platform" where anybody may post training materials and training event announcements (IFOAM, 2010b). A link list to organizations providing training on various issues is also available.

○ SAI

An example for very strict regulations regarding inspectors' capacities is the SA8000 Standard of the SAI. It accredits CB only provided that their inspectors followed particular training courses offered by Social Accountability Accreditation Service directly or an approved trainer. Training for a whole auditor team is fairly costly for a CB, including longer training for the lead auditor. This together with very high accreditation costs may be the reason that only 19 CB worldwide are accredited to certify according to the SA8000 Standard.

○ GlobalGAP

The GlobalGAP provides "Train-the-Trainer" workshops, as has been described above. Such training is also targeted at CB staff. Besides, the CB must send a qualified GlobalGAP inspector to the annual compulsory GlobalGAP event for the Integrated Farm Assurance Standard (GlobalGAP, 2010).

○ ISEAL Alliance

An example where qualification of CB is a key issue, is the Verification Code of Good Practice of the ISEAL Alliance (ISEAL Alliance, 2010). Its development started in 2010, so there is no final document available yet. However, its goal is to define requirements for auditing of CB in order to support the credibility, accessibility and growth of these activities. Currently, consultation processes are going on to develop this code of good practice. The ISEAL Alliance has already developed freely accessible webinars (i.e. seminars held online) to inform and train people involved in standard systems, e.g. the "Developing Auditor Competence Training Programs" (ISEAL Alliance, 2009). Such webinars present a good tool to reach many persons in a training session without them needing to travel long distances. This represents a low-cost strategy in training.

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○ **UTZ Certified**

UTZ Certified has recently developed a (free-of-charge) E-learning training manual to centrally train certifiers for the UTZ Certified standards. The objectives of this course are to train inspectors on the UTZ certification procedures and documents, and it is divided into four courses in Coffee and Cocoa: UTZ Certification Protocol, UTZ Code of Conduct, UTZ ICS, and UTZ Chain of Custody. Each course consists of four basic modules: introduction video, learning activity, forum, and a final evaluation. This course is seen as complementary to the basic qualification requirements that are defined in ISO65/EN 45011 for which all the CB are accredited with whom UTZ collaborates (Wyss-Bisang, 2010).

6.3 Suggestions to improve the EU organic certification system

6.3.1. Suggestion 6: EC Regulation Guide

Guide for understanding of the EC-Regulation

Develop a guide on how to interpret the Council Regulation (EC) No. 834/2007. The focus of the guide is not on how to implement the regulation, but on increasing the understanding of the regulation text by all stakeholders, including control staff and organic operators.

	Organic operators	Competent Authorities	Control Bodies	Consumers
Acceptance	Very high	High	Very high	Very high
	Comments:			
Costs	Low-neutral	Neutral	Low-high	
	Comments: Different votes may reflect the different understandings of the proposal. The costs for the CB will depend on their engagement in the process of developing such a common guide. Although for national CA there will not be high costs, the costs will occur at EU level, e.g. for organising the needed discussions about the guide			
Improvement potential	Very high			
	Comments:			

Table 13 Summary evaluation for Suggestion 6

Background considerations and justification

Many certification systems offer documents to better explain their standards to operators and allow them to prepare themselves for inspection/certification. This may reduce the need for (external) training right from the beginning. What is more, such a guide can be the start for a harmonization process of understandings EU wide. At EU level, suitable guides for understanding must be developed and made publicly available. Thus not every authority, CB, consultant, association, etc. would have to develop such documents on their own, which also leads to differences in interpretation and requirements. This guide is not meant to prescribe how to

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implement the regulation, but to allow an easy understanding of it by all stakeholders, including operators.

To develop such a guide should be undertaken in a participatory process including all interested stakeholders, such as CB and CA, as well as organic advisory groups. The process needs to be structured in a way that all aspects can be included while not ending up in endless discussions, but with a concrete output. However, a time frame of about one year might be needed to come to a commonly agreed interpretation guide.

Expected effect on the current EU organic certification system

The potential of this suggestion to improve the organic certification system was considered as very high.

Expected acceptance

The acceptance by organic operators, CB and consumers was assessed as very high. For CA it was considered as high.

Costs evaluation

This elaboration of this guide for understanding of the EU regulation could be linked to the development of guidelines for a harmonized RBI approach, as suggested for the Suggestion 1. Therefore, the costs for such a guide will be similar to those for the guide proposed for the harmonized RBI approach (see Table 4).

6.3.2. Suggestion 7: Subsidies for training operators

Subsidies for Training of Operators

EU Member States should be obliged to spend part of the agricultural subsidies for extension service and on-going training for organic operators.

	Organic operators	Competent Authorities	Control Bodies	Consumers
Acceptance	High	High	Very high	High
	Comments: none			
Costs	Neutral	Neutral	Neutral	
	Comments: The costs of such subsidies would occur at the EU level or at the national levels, as part of e.g. agri-environmental payments. However, the costs would not occur at one of the mentioned stakeholders' level. Training will not improve, but will make a complication in the second pillar and will become complicated if it is a mandatory requirement (i.e. regions have to offer training if there are no farms) There is some disagreement on whether or not this should be mandatory			
Improvement potential	High			
	Comments:			

Table 14 Summary evaluation for Suggestion 7

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Background considerations and justification

The funds used by EU Member States to provide for proper training possibilities for organic producers differ a lot, and thus also the quality and availability of service. EU Member States should be obliged to spend a minimum percentage of agricultural subsidies on offering extension service and on-going training for organic operators; respectively a minimum percentage of general agricultural advisory service must be provided for organic farming. For example, such a subsidy for training and advice could be provided under measures 111 and 114 of the EU Rural Development Programme (see EC/1698/2005 and EC/1974/2006).

Expected effect on the current EU organic certification system

The implementation of this suggestion could improve the organic certification system to a high degree.

Expected acceptance

The acceptance is generally high and for CB very high as inspection and certification are much easier when an operator is well trained and prepared. However it needs to be considered that the quality of training will not improve automatically with the provision of funds. Furthermore opinions vary if such allocations of funds should be made mandatory or not. A mandatory system is for example less flexible to be adapted to local situations. One suggestion could also be to link the participation to certain training with the risk level of the operator, and to potentially lower it accordingly, once the training has been completed.

Costs evaluation

If we estimate that a farm on average pays 1000€ per year for extension² the following costs result:

ITEMS	CALCULATIONS	COSTS (€)
Extension costs	$(\text{average cost} \times \text{visit frequency})_{\text{farm}} \times \text{\# farms}$ $(1000 \text{ €/year} \times 1 \text{ visit/3 years}) \times 200.000^3$	66.670.000
Subsidies	Minimum limit: 20 % of the extension costs $0.2 \times 66.670.000 \text{ €}$ Maximum limit: 50 % of the extension costs $0.5 \times 66.670.000 \text{ €}$	13.334.000 33.335.000

Table 15 Cost calculation for Suggestion 7

² According with information published by the German Federal State of Nordrhein-Westfalen

³ Number of organic farmers in the EU. Data taken from EUROSTAT Statistics

6.3.3. Suggestion 8: Basic central training

Basic central training on the EU organic regulation for all involved stakeholders: staff members of Competent Authorities and Control Bodies

The training is offered as online training courses that can be accessed freely (or against a small fee) by participating CA and CB, and their individual inspectors. The material covers all relevant aspects of the EU organic regulation. It is organised in such a way that it is adaptable to the national context of organic farming.

	Organic operators	Competent Authorities	Control Bodies	Consumers
Acceptance	Very high	Partly high / partly low	Partly high / partly low	High
	Comments:			
Costs	Neutral	High	High	
	Comments:			
Improvement potential	Very high			
	Comments:			

Table 16 Summary evaluation for Suggestion 8

Background considerations and justification

The ideal training consists of training material that covers all relevant aspects of the EU organic regulation. Multi-lingual versions increase the practical usability and support a European wide implementation, and if needed, the material is adapted to the national context of organic farming. The central training is a basic compulsory training for all CB and CA staff working in the EU, but it will not completely replace existing (on-the-job) training in the system of the respective CA and CB.

Additional training in the form of online webinars (at least one every 6 months per language) is offered to CA and CBs for deeper discussion of key matters and knowledge enhanced, to enable CB to act as tutors for their inspectors during the training phase.

The material consists of different modules covering the various aspects of the EU organic regulation, so that the training can be as focussed on the specific needs of the users. An online exam at the end of each training module can be used as qualification proof to fulfil requirements of the accreditation processes. The material is reviewed and updated where needed, at least once per year.

Expected effect on the current EU organic certification system

A central training for CB and CA would support a more harmonized interpretation of the EU organic regulation. This would help to avoid different interpretations and would support the work of all involved in the certification system.

Exchange among and between CB and CA staff is an important aspect of such training. Therefore, enough room needs to be given to information exchange, so that the persons working on control and certification can learn from each other as much

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as from the trainer. Suitable mechanisms should be provided to facilitate such an exchange, e.g. by setting-up online discussion forums, and wikis that are continuously developed by all participants of the online-training.

Expected acceptance

It is expected that some CA and CB will appreciate such a central training and possibility for exchange on the organic regulation, while others will dislike the idea that someone “tells what to do”. Some might also think that they do not need any more training.

It will therefore be crucial when developing such training tool that all stakeholders are involved from the beginning, to inquire about their specific needs and thus make an effort to distribute the ‘ownership’ of the training among all stakeholders. This means that CA and CB should be convinced that the training is worthwhile, and that they can contribute their knowledge while at the same time profiting from other stakeholders’ knowledge.

Costs evaluation

The costs for a central training on the EU organic regulation occur at different phases.

First, the development of the training course involves the effort of many persons. From other training (as the one implemented by IMO) we know that the development of an online training took about 10 days for one day of training. Second, as we opt for a central training that should be available to all stakeholders in charge of certification and control (CA and CB), coordination is needed to integrate the different requirements and needs. With 27 member states and more than 200 CB this will need time. It is therefore suggested to make use of the existing coordination bodies, such as the EOCC, and the Standing Committee of Organic Farming – SCOF meetings. Third, the training need translation into the national languages (25 in total). Finally, the online courses need the software for facilitation, and if planned that one course should be moderated by a trainer, this needs additional personnel input. The total costs result for facilitating a 5-days online course are shown in Table 17.

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ITEMS	CALCULATIONS	COSTS (€) PER COURSE
Development	# days _{development} × # days _{course} × daily costs 10 days/1 day _{course} × 5 days _{course} × 500 €/day	25.000
Coordination	# days _{coordination} × daily costs 25 day × 500 €/day	12.500
Translation	# days _{translation} × # languages × daily costs 10 days × 25 × 500 €/day	125.000
Software		10.000
TOTAL COSTS FOR PREPARING A 5-DAYS ONLINE COURSE		172.500
COSTS FOR RUNNING THE TRAINING COURSE		
Facilitation	# days _{course} × daily costs 5 days × 500 €/day Costs for facilitator's preparation are not included !	2.500 €/ course
Attendance	# days _{course} × daily costs 5 days × 500 €/day	2.500 €/ participant

Table 17 Cost calculation for Suggestion 8

6.3.4. Suggestion 9: Supporting networking and exchange

Supporting networking and exchange between Competent Authorities and Control Bodies at the national level

Exchange between CB and CA need to be supported in two ways: First, common trainings of CA and CB staff on details of implementation of the EU organic regulation. Second, by creating platforms where CA and CB staff meet to discuss particular issues of implementation.

	Organic operators	Competent Authorities	Control Bodies	Consumers
Acceptance	Very high	High	High	Very high
	Comments:			
Costs	Neutral	High	Very high	
	Comments:			
Improvement potential	Very high			
	Comments:			

Table 18 Summary evaluation for Suggestion 9

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Background considerations and justification

The exchange between the different CB and between CB and CA needs to be enhanced. The objectives of such an exchange are first, to increase the understanding of each other's perspectives on problems, and, second, to support the mutual understanding of processes in the different organisations and institutions.

There are already examples (e.g. in Germany) where CB and CA meet to discuss particular (contested) issues of implementation of the EU organic regulation. This enhances a common interpretation of the organic regulation and provides a platform for knowledge exchange; however, the meetings do not ensure a complete harmonised interpretation and implementation.

Besides a platform for more information exchange, also a common training on the detailed implementation of the organic regulation between the staff of CA and CB could contribute to a better mutual understanding, as well as a more coherent interpretation of specificities of the organic regulation. While suggestion 8 (above) is targeted at understanding the overall organic regulation, the focus of this suggestion is on the details of implementation through CA and CB. At the national level, there is no language problem, and training could focus on the specific context in each country. In developing the training, the relevant stakeholders need to be involved in order to actually meet the needs of the target group.

Expected effect on the current EU organic certification system

All experts agreed that improving the exchange and networking between CA and CB would improve the current certification system importantly. However, the situation differs between the countries. In member states with more than one CA (as is the case in Germany) it will be more relevant to coordinate and match these different CA than in countries with only one CA. Enhancing the communication between CA and CB was seen as particularly useful.

Expected acceptance

The experts assessed that both CB and CA would highly accept such an exchange platform, as it seems to meet the needs of both of them. This is remarkable, as the costs involved for them were seen as high. Again, the need for the exchange will be different from country to country, and therefore any effort of creating such a platform would need to involve both CA and CB representatives from the beginning.

The acceptance of a common training of CA and CB staff at the national level might be similar to the suggested training at the EU level. As there will not be a language problem, the acceptance is expected to be a bit higher. However, it will be a challenge to cover both the needs of CA and CB staff, and (as already explained above) the success will depend on the level of involvement of the different stakeholders concerned.

Costs evaluation

A common training of CA and CB staff consist of the costs for developing the training, and the training itself. The training will be focused on specific issues of the implementation of the EU organic regulation, and therefore, the setting-up will take less time than for a total course on the EU regulation (see Table 19).

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ITEMS	CALCULATIONS	COSTS
Course development	$\# \text{ days}_{\text{development}} \times \# \text{ days}_{\text{course}} \times \text{daily rate}$ 10 days/1 day _{course} \times 3 days _{course} \times 500 €/day	15.000 €/ course
Course attendance	$(\# \text{ days}_{\text{course}} + \# \text{ days}_{\text{travel}}) \times \text{daily rate}$ (3 days + 1 day) \times 500 €/day	2.000 €/ participant
Participants Travel and lodging	Lump sum: 500 €/day	500 €/ participant
Trainer	Lump sum including preparation, course, travel and lodging: 5000 € per course	5.000 €/ course
TOTAL COSTS FOR PARTICIPATING IN A 3-DAY TRAINING COURSE		2.500 €/ participant + 5.000 €/ trainer

Table 19 Cost calculation for Suggestion 9 (part common training)

An exchange platform needs a preparation phase, in which all actors involved should be heard and asked for their specific needs and expectations. The meetings of such a platform then need working time. Depending on the travel distance, meetings will involve 1 to 2 days including travel, plus an additional 1 to 2 days for preparation and post-processing. Thus, about 3 days per meeting need to be calculated, with 4 meetings per year, this comes to a total of 12 working days for each CA or CB involved, or (on the basis of a daily rate equal to 500 Euros) to 6000 Euros for personal costs plus costs for travel and lodging.

ITEMS	CALCULATIONS	COSTS (€/ YEAR)
Attending meeting	$\# \text{ days}_{\text{meeting}} \times \# \text{ meetings} \times \text{daily rate}$ 1.5 days \times 4 meetings / year \times 500 €/day	3.000 participant
Preparing meeting and post-processing	$\# \text{ days}_{\text{preparing}} \times \# \text{ meetings} \times \text{daily rate}$ 1.5 days \times 4 meetings / year \times 500 €/day	3.000 participant
Travel costs	Travel allowance \times # meetings 250 €/day \times 4 meetings / year	1.000 participant
TOTAL COSTS FOR EACH PARTICIPATING OF A COMPETENT AUTHORITY OR CONTROL BODY		7.000 participant

Table 20 Cost calculation for Suggestion 9 (part exchange platform)

7 SUMMARY AND CONCLUSIONS

In this report we have presented the results of a detailed analysis of 13 alternative certification systems with the aim to identify elements that could improve the efficiency and effectiveness of the current organic certification system. In particular, we identified nine elements and tools that are applied in one or more of the schemes, but are not yet strongly implemented in the organic certification scheme. Three of these elements were subject to further scrutiny, and while analysing how they could be transferred to the organic scheme, we developed nine suggestions how they could improve the current organic certification system. The three elements are 1. Risk Based Inspection, 2. Social Network Factors, and 3. Training and Capacity Building.

With regard to Risk Based Inspection, the major conclusion on how to improve the organic certification system is that there needs to be a common understanding across Europe about the RBI provisions in the EU organic regulation (Suggestion 1). Currently, the regulation is too generic for CB and CA to adopt a harmonised approach. A harmonised risk based system should be developed at a minimum common level, considering a variety of important elements: risk factors, categorisation system and correspondent control system (i.e. number and type of inspections and levels of sampling); this RBI system should be implemented in all the different EU member states. If a RBI system would be implemented based on harmonised understanding of its main elements, costs for controls could be reduced for low-risk operators (Suggestion 2) as they could be controlled less frequently. Organic operations can be encouraged to perform well and to continuously improve their organic production and management by rewarding long-term well performing operations with simpler control modalities, while at the same time ensuring higher focus on those operations with higher risk potential and poorer performance. In cases where the inspection plan – based on the operator's risk classification – required supplementary inspections it should become possible to conduct remote controls instead of costly on-site controls (Suggestion 3). The efficiency of the presently applied control system can be strengthened, while the costs could be more adapted

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to the risk level of an operator by implementing several additional (i.e. remote) control modalities complementing and/or substituting physical inspections.

From our analysis we can furthermore conclude that Social Network Factors could contribute importantly to the risk classification of operators (Suggestion 4). Using relevant key factors that describe an operator's embeddedness in organic networks and other quality guarantee systems will help to assign it to the appropriate risk class. Participation in ICS could be also part of such a "social network risk factor", as peer (social) control is a core feature of this system. In consequence, participating in ICS involves being controlled by peers before a CB is inspecting from external. Another Social Network Factor that would improve the current organic certification system is the introduction of a Monitoring institution (Suggestion 5). The present system to raise and address complaints about a certified operation could be improved by establishing better and easier mechanisms for whistle blowing, e.g. for employees of a fraudulent company, or peers who notice various irregularities. The SAW systems is an interesting example of an online based complaint system delivering information to CB and companies alike to strengthen the control focus and follow up complaints efficiently. While not directly applicable to the regulated organic sector, the present system to notify CB of irregularities could certainly be simplified and improved as this may add continuous additional control and risk awareness.

Finally, our analysis showed the importance of adequate training and capacity building both for organic operators, CB and CA. Organic farming is a knowledge-intensive way of production, and controlling for the correct implementation of organic standards requires specific expertise. Training furthermore contributes to a harmonised understanding of the organic standard. Therefore, we suggest developing a guide on understanding of the EC organic regulation, focussing on a common understanding of the regulation text by all stakeholders (Suggestion 6). This is connected to a basic central training on the organic regulation (Suggestion 8). To support the access to advice and attractiveness for organic operators, we conclude that subsidising advice through public funds should be considered (Suggestion 7). Moreover, it should be taken into account, in order to safeguard organic quality that the importance of effective cooperation and communication between different CA and CB increases the more risk-based the system is. This concerns in particular exchange on suspected fraudulent practices or suspicions identified during food safety inspections. Therefore, when further developing a risk based approach to inspection, networking and exchange between CA and CB should be supported (Suggestion 9).

All these suggestions would involve some costs, in particular in the beginning when changes in the current system are necessary. In the long run, it is expected that the measures increase the overall efficiency of the organic certification system, so that e.g. fraud is prevented and thus costs of non-compliance are reduced. All the same, the financial effort for a particular measure will be the easier undertaken the more accepted it is. The suggestions analysed in this study will be accepted to varying degrees by the different stakeholder groups involved (operators, control bodies, competent authorities, consumers). This implies that any implementation of a measure should be carefully accompanied by a good communication, and should involve the relevant stakeholders wherever necessary in the implementation process.

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- Nature & More: www.natureandmore.org
- NOP: <http://www.ams.usda.gov/nop>
- SAI: <http://www.sa-intl.org/>
- UTZ Certified: <http://www.utzcertified.org>
- WFTO: <http://www.wfto.com>

The rating of the indicators was done by following experts: Hugo Skoppek (Nature and More), Jörg Grosse-Lochtmann (Naturland Marktgesellschaft) and Laercio Meirelles (Ecovida Brazil).

The rating scale ranks from 0 (not relevant) to 5 (very relevant) with regard to the risk of substantial violation of the organic production rules.

PROPOSED INDICATOR	RATING	COMMENTS
Local Exchange and networks with fellow organic farmers operating within same region	3- 5	Two experts thought this was very important, one thought networking was key – not necessarily that the networking was local. The local proximity of farmers with a good chance that farmers know what is happening on each other's farms seems an important factor in other systems, especially PGS and ICS. Local proximity can also strengthen a group feeling.
Other informal networks with organic farmers, e.g. participating internet forums etc.	4-5	Networking and exchange with fellow organic farms is very important. Sharing practical know-how in agro-ecological practices is key in organic production
Experience in organic farm operation	3-5	All experts agree that know-how and experience in organic production is very important. But experience not necessarily always only measurable in number of years of organic farming experience but can also reflect intense training efforts.
Operation has received in-depth organic training in beginning and keeps up to date by regular trainings	3-5	Initial training is considered less important than ongoing regular training in organic production issues which is considered very important by all experts

ANNEX

PROPOSED INDICATOR	RATING	COMMENTS
Member of an organisation(s) that provides training, support and updates on Organic Farming.	4-5	Membership in organic farming association can be very important – but needs specification on service provide by organisation as organisations activities and relevance for everyday organic farming practices vary considerably across Europe and even within one country. This is shown e.g. in the analysis of importance of formal farmers association in some EU countries by Michelsen et al (2001).
Active participation in organic organisation (trainer, speaker, regional board member, etc.)	4-5	Engagement in organic movement is important and strengthens the operator's responsibility.
Membership adds transparency by making the certified status public (e.g. organic signs at the farm, public register of certified farms)	3-5	Farm sign may not be so important – but overall public transparency and knowing which farms are organic is important.
Operation is visited by external organic consultant	2- 5	In many cases this is the farmers' organisations' consultants but may also be others. Regular visits can have very important added quality assurance and may improve farmers' organic know-how. But can also have opposite effect if farmer is only relying on specialised organic consultants to come in for every problem rather than holistic organic management.
Farm is used for organic farming demonstrations	5	This was considered a very important risk reducing factor by both European experts but seems to be less important in PGS.
Regular visits of other organic farmers on the farm.	5	This was considered as very important by all experts as it adds effective peer control
Active consumer interactions, e.g. farm visit days, holiday on organic farm schemes, etc.	4	Consumers' presence adds some peer control but not as important as presence/visits of other organic farmers on site.
Farm markets substantial parts of production jointly in producer association/cooperative.	3-5	Cooperative structure can add substantial quality control: the lower relevance attributed by one expert was due to doubts that sometimes other members may be inclined to tolerate malpractices e.g. if they depend on their one biggest member farm etc. From the experience of ICS and PGS group marketing can be considered to add quality assurance through some degree of social control. Also the cooperative has the best overview on product flows and can notice irregularities of certain members' supplies much better than any other actor.
Producer cooperative/association has additional quality monitoring system, e.g. regular peer visits, visits by cooperative's technicians	3-4	Additional visits by knowledgeable experts can add quality assurance.

ANNEX

PROPOSED INDICATOR	RATING	COMMENTS
Key Buyer/ trader has additional quality monitoring system in place incl. organic aspects.	3-5	A key buyer who has added quality monitoring of supplying farms in place can add substantial added quality assurance as the key buyer can keep an overview on quantities and additional visits may also point out other irregularities. Of course it depends how much quality control is actually in place.
Products are marketed in the name of the farmer; e.g. box scheme or the product brand/retailer provides clear links/information about the individual organic producer.	3-5	Transparency and link to consumers can be very important but the operation's inclination to adhere to organic rules may be strong whether or not its products are marketed under the farms name. Farm shops were not considered important per se as often much of the produce is bought in anyway.
Operation is audited and certified according to other quality, social or environmental systems	3-5	Ideally, more certification schemes point at responsible management practices and the added auditor visits may also lead to discovery of organic violations – but substantial quality assurance is only added if auditors of other schemes know the producer is organic and also feel responsible for ensuring organic integrity.
Prizes won for innovative farming practices etc.	3-5	Can be additional indicator of good responsible farming practices beyond minimum compliance.

Table 21 Potential indicators for Social Networking of organic operators