



IMPROVING THE ORGANIC CERTIFICATION SYSTEM

Recommendations from the CERTCOST project

D24

12.12.2011

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These recommendations on how to increase the effectiveness and efficiency of organic certification are developed for

- **organic operators,**
- **control bodies/ control authorities,**
- **competent authorities and other Member State authorities,**
- **accreditation bodies,**
- **the European Commission,**
- **and other stakeholders.**

This report is based on the project results, reports and deliverables of the CERTCOST project. Valuable input has been provided by all project participants and by many stakeholders from the organic certification sector during the course of the project. Special thanks are due to Canan Abay, Samanta Rosi Bellière, Murat Boyacı, Antonio Compagnoni, Ulrich Hamm, Beate Huber, Danilo Gambelli, Meike Janssen, Lizzie Melby Jespersen, Christian Lippert, Michal Lošták, Susanne Padel, Alessandro Pulga, Elisabeth Rüegg, Florentine Meinshausen, Heidrun Moschitz, Bülent Miran, Simon Olling Rebsdorf, Francesco Solfanelli, Matthias Stolze, Özlem Karahan Uysal, Jane Vine, Lukas Zagata, Raffaele Zanolli, and Alexander Zorn.

The responsibility for the content and any remaining errors rests with the author.

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This publication was generated as part of the CERTCOST Project, agreement no. 207727 (<http://www.certcost.org>), with financial support from the European Community under the 7th Framework Programme. The publication reflects the views of the author(s) and not those of the European Community, who is not to be held liable for any use that may be made of the information contained.



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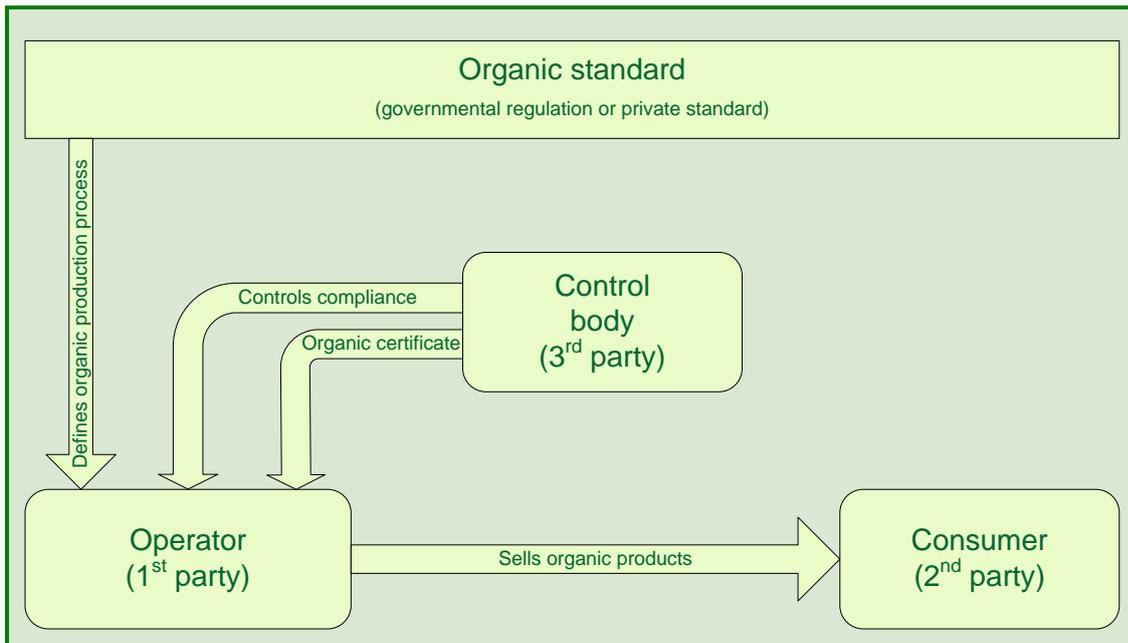
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1 BACKGROUND

A production process following specific standards is the key element of organic agriculture and organic food production. It is thus the process of production rather than the quality of the end product that defines an organic product. It is obvious that organic operators have very detailed information on how they produce an organic product whereas consumers have generally very little information on the production process. This information asymmetry is not a “black and white phenomenon” in the organic food chain but may rather be described as shades of grey: organic traders usually only have partial information about what operators know about their production methods. Consumers know even less about how the organic raw materials were produced. This information asymmetry would be an obstacle to the functioning of the organic market if not adequately dealt with (cf. Darby and Karni, 1973).

1.1 The structure of an organic certification system

To deal with this situation the organic certification system has been developed. The organic certification system is a part of the organic industry and it is specialized in providing assurance that all products traded as organic have actually been produced and processed according to the respective standards. The principal functioning of organic certification is shown in Figure 1.



Source: Zorn et al. (2009), adapted

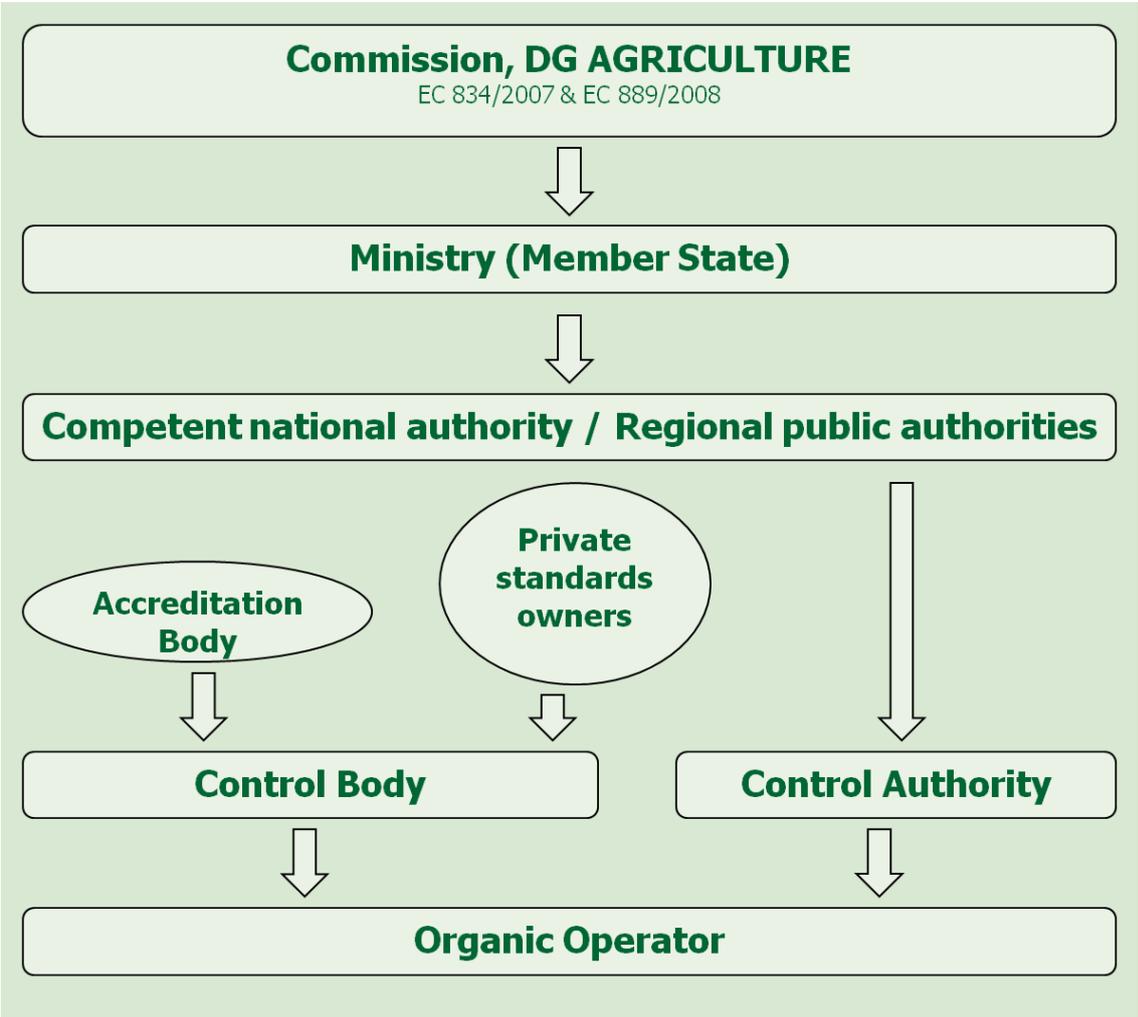
Figure 1: Simple structure of certification

There are some obvious advantages of having a specialized organic certification system rather than having everybody involved in trading organic products checking their integrity themselves. First, this system works in a way that every organic operator is generally inspected once per year by one organic control body. Hence, the (often numerous) buyers do not have to do the inspection themselves. Second, having a system based on third parties that are not involved in producing, processing and trading organic products, makes inspection more objective and impartial. Third, checking organic operators and documenting the whole process requires very specific knowledge which can be provided more efficiently by organisations specialized in that task.

Because of the asymmetric information problem a well-functioning certification system is a necessary prerequisite for a well-functioning organic market. Ultimately, the goal of the organic certification system is to gain consumer trust in the organic integrity of the product she or he buys.

1.2 The European organic certification system¹

Empirically, we can observe that the three major organic certification systems dominating the organic markets worldwide are systems that are fundamentally determined by government regulations (the European, the US and the Japanese market). However, in some cases parts of the functions of the certification system are delegated to private bodies. In the recommendations outlined in this report we deal exclusively with the European organic certification system. Figure 2 shows the institutions involved in it. Just looking at the multitude of institutions involved it becomes clear that structuring and organizing the organic certification system is not a trivial task.



Source: Jespersen (2011), adapted from Zorn et al. (2009)

Figure 2: Institutions involved in organic certification against the European organic standard

¹ For more detailed information see Padel (2010).

2 HOW THESE RECOMMENDATIONS WERE DEVELOPED

These recommendations are based upon a wide array of studies conducted within the CERTCOST project analyzing the organic certification system in Europe. These studies had a particular focus on certification cost, the efficiency of the certification system, the risk of non-compliance, and the perceptions of consumers.

2.1 Criteria

In order to develop recommendations from these investigations it is necessary to have an idea about what constitutes a desirable organic certification system and to develop the recommendations based on criteria related to that idea. Three criteria are seen as essential for deriving judgments about necessary and desirable change in the European organic certification system:

- quality of the organic certification system performance,
- costs of running the organic certification system, and
- the degree of subsidiarity, that is, which decision has to be taken at what level.

2.1.1. Quality

The quality of the organic systems has two dimensions:

- 1) To physically guarantee the organic integrity of the product.
- 2) To build – based on the physical integrity – consumer trust in the system of organic certification.

An organic certification system that exhibits perfect quality would guarantee in 100% of all cases that those products traded as organic have been produced according to the organic standards. Such a perfect system would not only provide a 100% guarantee of the integrity of the products, but would also be able to prove this integrity in case of doubt.

At the same time communication to consumers would be done in such a way that consumers believe in a trustworthy system. Intensive, targeted, and professional communication to consumers leading to full information would be part of such a system.

Such a perfect system is not a realistic possibility. It would require a complete control of the certification system over the production process. Currently, the control takes generally place once a year – while this might be seen as reasonable it does not imply complete control. Even if a system could be envisaged technically and legally that discovers every non-compliance at the time of occurrence – which can be doubted – the cost of such a system would be prohibitive.

If we cannot have a perfect system what are the criteria that can help us to determine whether an organic certification system is of “sufficient quality”?

An organic certification system of good quality should

- limit both the quantities of products that are marketed as organic but do not comply with the standards, and the number of non-compliance cases to amounts that can be communicated to consumers and others as an acceptable rate of mistakes in a system run by human beings,
- deal convincingly with cases of detected non-compliance, in such a way that decreases the probability of the occurrence of future non-compliance,
- be dynamic in the sense that a continuous improvement process of both the operators and of the overall system is part of the system,
- have as an integral part transparency and a communication strategy to consumers that builds consumer trust.

2.1.2. Costs

The total cost of the organic certification system is substantial. An estimate from the CERTCOST project puts it at 70 – 110 million Euros in the year 2008 for the EU27 (Jespersen, 2011). If we assume a total turnover with organic products within the EU in the same year of 18 billion Euro the proportion of certification in total turnover cost ranges between 0.4% and 0.6%; it is likely that this is a lower border estimate (Jespersen, 2011).

The question we ask in developing our recommendations is whether these resources can be used more effectively and more efficiently for the purpose of organic certification. Asking for effectiveness means asking whether the resources spent contribute to reaching the quality objectives mentioned above. Talking about efficiency goes one step further and relates the fulfilment of the objectives to the costs occurred, that is the objectives should be reached at least cost.

2.1.3. Subsidiarity

The third major aspect to consider, when thinking about improving the organic certification system, is the issue of subsidiarity. The question here is what decisions should and can be taken at what level. In order to clarify what is meant by this, imagine the following two extreme situations. One extreme would be to leave as many decisions as possible at the lowest level of the system, with the control bodies. These control bodies would then decide on everything that is not specifically regulated in the respective European regulations. At the other extreme a system could be imagined where the European Commission determines the work of all the actors involved in the certification system including the control bodies to a very large degree. For instance, in such a system the Commission would specify in detail the type of risk based inspection system a control body would have to implement, the number of pesticide analyses to be done and so on.

A complete harmonisation at the European level of every detail on standards, control, inspection, and certification would obviously conflict with the differing legal and cultural environments of the Member States where the control bodies are acting. It would also neglect the very specific knowledge control bodies have on their operators, which might lead them to specific strategies and inspection methods to best guarantee the integrity of the organic product.

Leaving most decisions to the control bodies would forgo some of the benefits of harmonisation. Namely, an efficient supervision of the functioning of the system could benefit from a more unified data collection of the control bodies, something which needs a certain degree of coordination from higher level institutions.

With respect to developing recommendations on the certification system it is thus necessary to ask whether improvements can be made by moving certain types of decisions to a different level of the institutional hierarchy.

2.2 Process

These recommendations are based on the work of the CERTCOST project which was running from September 2008 to November 2011. This project constitutes a major effort by a consortium of 11 institutions from 7 countries to provide an economic analysis of the certification system for organic food and farming. The project aimed at providing a scientific analysis and at the same time to include the expertise and knowledge from stakeholders within the organic certification system. This “two pillar approach” was reflected in the composition of the consortium which consisted of universities, research centres and two private control bodies working in the organic sector.

These recommendations extend this approach: In a first step, summaries from the scientific work packages of the project provided the basis for bringing together the conclusions and draft recommendations emerging from the respective work packages (Dabbert et al., 2011). Secondly, these draft recommendations were then reviewed, revised, and enhanced from an overall project perspective to produce a first full draft of recommendations. This first draft was then discussed in detail with all project participants and a revised version was produced. Thirdly, this revised version was the basis for a discussion with a group of stakeholders at Brussels in October 2011 and at an additional workshop in the United Kingdom in the same month. The criticism and suggestions of the stakeholders were considered and balanced with the original scientific input to produce the final version of the recommendations presented in this report.

The intention of this comprehensive feedback process was to produce something that is based on sound scientific analysis and acceptable from a practical point of view and thus helpful for those involved in the organic certification sector. It is clear that these recommendations go beyond what can be directly inferred from the scientific work and include personal judgments by those involved in developing them. To keep it useful for the practitioner in the organic certification sector the number of recommendations and the length of the paper were limited. Further details of all the work of the CERTCOST project can be found in the various reports and scientific publications arising from the project which are available via www.certcost.org.

3 OVERALL RECOMMENDATIONS

In the following six general fields of recommendations are addressed, each containing specific suggestions. The recommendations are explained and justified.

3.1 Recommendation 1: Harmonise supervision of the certification system, approval of control bodies, and data collection

Harmonise supervision of the certification system, approval of control bodies, and data collection, specifically

- *clearly define at EU level different types of non-compliances (irregularities, infringements) and sanctions,*
- *harmonise the use of terms and definitions as well as data collection specification with respect to non-compliances, sanctions and structural data,*
- *produce and publish annually a timely supervision report at EU level that allows a meaningful comparison of the implementation of the organic regulations in all EU Member States,*
- *strengthen supervision in Third Countries, e.g. by introducing risk-based inspections of operators,*
- *harmonise the implementation of the requirements and procedures for approval of control bodies as well as the systems for monitoring and supervision of control bodies.*

CHAPTER 3_RECOMMENDATIONS

An effective supervision system is an essential part of a functioning organic certification system. Supervision works at two levels: Supervision at Member State level is typically done by the national or regional competent authority that supervises the private control bodies as well as by the national accreditation body. At the European level the European Commission supervises the work of the competent authorities. Both levels of supervision are necessary. In order to avoid the possibility of a “race to the bottom” among competing private control bodies, it is necessary to actively supervise their actions, both within the EU and in Third Countries. In order to make sure that the implementation of the European organic regulations stays within a reasonable range, a supervision of the Member State systems by the European Commission is necessary. Similarly an effective supervision in Third Countries is needed. Regular public reporting on supervision results can be one important element of a communication strategy with the aim to build consumer trust.

The current system of supervision is not fully in a position to perform these tasks. For the supervision at the European level it is an essential prerequisite that the definition and understanding of key concepts is the same within the different Member States. A particular noticeable example for missing definitions would be: The organic regulations² refer to the terms “irregularities” and “infringements”, which are different types of non-compliances. No further definition is provided of these essential concepts. This leads to a situation where these concepts are defined quite differently in various Member States, sometimes even by different control bodies within the same Member State. In some cases no guidelines exist. In addition, it seems that in some cases definitions – where existing – are changing over time.

To contribute to harmonised definitions and understanding, at EU level a guideline explaining terms and definitions should be developed and be made publicly available. This guideline would not be meant to prescribe how to implement the regulation, but to allow an easy understanding of it by all stakeholders, including operators. Such a guideline should be developed in a participatory process including all interested stakeholders, such as control bodies and competent authorities as well as organic advisory groups.

The Commission itself commented on the situation in the last European level supervision report that was available to us by stating that “it is still difficult to reach a clear conclusion as different definitions of the parameters and the different data acquisition are used by the Member States” (European Commission, n.d. 14). It is important to stress that this does not mean that the European organic certification system is not working. However, it means that with the current data at hand the supervision reports cannot demonstrate that the system is actually functioning, neither on a European nor on a Third Country level. It is thus recommended to

² Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91; Commission Regulation (EC) No 889/2008 of 5 September 2008 laying down detailed rules for the implementation of Council Regulation (EC) No 834/2007 on organic production and labelling of organic products with regard to organic production, labelling and control

provide clear definitions on the types of non-compliances (differentiated into severity classes) to be recorded and also to provide a codification of sanctions. The application of such code should be mandatory for reporting at European level.

A prerequisite for a suitable supervision system is that data collection is harmonised to a much higher degree than currently done. This concerns not only the way non-compliances and sanctions are reported, but also other data collected by control bodies from operators. For this matter, the use of common definitions for variables collected would be advantageous. In the case of an operator changing to a different control body the complete data of this operator should be transferred from the previous to the new control body. If data collection was harmonised, such data transfer would be much easier than it currently is. More detailed guidance for the surveillance bodies providing assessment reports for control bodies operating in Third Countries is another aspect of such harmonisation.

Supervision reports at the European level can be a useful management instrument for the system and also serve the purpose to inform the public and foster trust within the organic system. At the time these recommendations are written (December 2011) the latest report available refers to the calendar year 2007. If the reports would be available more quickly they would be more useful for the sector. In addition to the quantitative data on non-compliances and sanctions it may be worthwhile to include further information. Useful information that includes facts on other elements of supervision, which are used by the Member States and their competent authorities, such as office audits and the number of independent direct inspections performed by the competent authorities themselves to check the quality of the work of the control bodies is at present only provided by some Member States to the Commission. In addition, it is conceivable that European supervisions reports could include details on the approval of control bodies and their accreditation.

In addition to the supervision of the ongoing work of control bodies there are two other routes which could be used to foster harmonisation: First, the procedures for approval of control bodies could be further harmonised among Member States. Competent authorities monitor and supervise control bodies. This should as well be done in a harmonised way, including a graded scale of sanctions against control bodies in case of non-compliance. Second, private control bodies need to be accredited according to EN 45011 (Cen, 1998). The effect of this mandatory accreditation on harmonised procedures seems to be quite limited so far. A concerted action of accreditation bodies involved, e.g. by drawing up codes of Good Practice as encouraged by the EU Commission would improve this situation.

An important conclusion is thus: A timely reporting on supervision (and approval) activities that uses harmonised concepts for data collection and adequately considers Third Countries could be an important communication tool to convince consumers that inspection and certification is done at the same professional level for all organic products traded in the EU.

3.2 Recommendation 2: Develop further the use of risk-based inspection systems

Develop further the use of risk-based inspection systems, specifically

- *support the development of quantitative systems supporting risk-based inspection,*
- *widen the scope of risk-based systems by weighting the “risk of occurrence of non-compliance” by severity of the impact to the market and consumer trust,*
- *implement more elaborate risk-based inspection systems at the level of control bodies in order to support their risk-based inspection activities,*
- *consider to use risk-based inspection systems not only to increase the number of controls in high risk cases but also to decrease the number of controls in low risk cases,*
- *provide common basic requirements for risk-based inspection systems at European level, but leave the implementation details to the control bodies.*

The use of risk-based inspection systems is mandatory already under the current legislation. Risk-based inspection systems can be used to more effectively identify operators with a high risk of non-compliance and to put them under additional scrutiny. Conversely, these risk-based inspection systems can also be used to identify low risk operators. So far, implementation is largely based on qualitative approaches. Control bodies neither have sufficiently detailed data at hand nor are they in a position to apply quantitative methods to determine risk factors as they have been used and applied in the CERTCOST project. Such quantitative approaches (e.g. logit models, count data models, Bayesian belief networks) could considerably enhance the effectiveness and the usefulness of risk-based approaches. However, it is likely that the more qualitative approaches will stay useful as a supplement.

Regulation (EC) No 834/2007 uses the term “risk of occurrence of irregularities and infringements as regards compliance with the requirements laid down in this Regulation” (Article 27). This has essentially the same meaning as the expression “risk of non-compliance”. However, a wider understanding of risk could include further aspects. Especially the size of the potential damage to the organic market and consumer trust is important. When selecting operators for additional controls this should be taken into account – in fact, a number of control bodies have already implemented this practice. Therefore, it should also be reflected in the regulation.

Quantitative risk-based inspection systems as demonstrated by the CERTCOST project are currently rather a scientific approach than a tool that can be applied at reasonable cost and effort by control bodies – and even at the scientific level they still leave room for further developments. It would be desirable to develop tools which can actually be applied by control bodies based on the statistical estimation techniques, such as those used within the CERTCOST project and related projects. The development of such tools should be supported both by the sector and – as this is in the public interest – also by European research funds.

It is likely that the explanatory power of the statistical models can be improved with data that go beyond what is currently available (mainly structural data on the operators), namely with data relating to financial and personal characteristics of the operator, e.g. their embeddedness into social networks. To which degree this would be legally possible and useful is a research question which should be further pursued and supported within the European framework program. One interesting route of further research and development could be the enhancement of quantitative indicators by qualitative indicators such as an estimate of the potential damage to the market.

It is thus recommended that the control bodies place particular emphasis on the development and implementation of quantitative and qualitative risk-based approaches to inspection. The implementation of recommendation 1 (requiring a more harmonised data collection and a clearer definition of types of non-compliances and sanctions) will support a more systematic implementation of risk-based inspection systems with the control bodies.

Once effective quantitative risk-based inspection systems have been implemented the Commission should consider that in special cases the inspection frequency can be lowered for proven low risk operators that fulfil certain criteria. Among those criteria could be that they belong to a group that as a whole shows low risk of non-compliance and in addition have fully complied with the regulation during a certain number of years. If for such operators regular inspection frequency is lowered, e.g. to have one inspection every three years, instead of the annual inspection that is mandatory now (the inspection fees are consequently decreased) then this could lead to substantial savings within the system without having a noticeable negative effect on the quality of the system. For very small scale, low-risk operators with a proven compliant track-record even exemption from inspections might be debatable.

We strongly recommend that the requirement to have a risk-based inspection system is enforced. An overall framework for such a risk-based system should be provided by the European Commission. An important element of such a framework would be harmonised definitions (of non-compliance, risk classes, other relevant variables, compare recommendation 1). The framework should regulate that the product of a risk-based system has to be similar (risk categories for operators and an inspection

plan). Similarly, which data is recorded as input to the system should be defined. It should be required to fully document the approach used.

With respect to the subsidiarity issue it should be noted that the actual details of the implementation of quantitative risk-based inspection systems should be left to the control bodies. If the control bodies can decide which method they are using to identify high and low risk operators the system can be expected to be much more efficient and reactive to the specific situation a control body is facing. Also a much quicker reaction would be possible in case of changing circumstances.

3.3 Recommendation 3: Raise consumer awareness of and trust in organic certification logos³

Organic logos signal to consumers that a product is organic. To raise consumer trust in the organic certification system, the owners of organic certification logos should raise consumer awareness of their logo and shape consumer perceptions of the underlying scheme in terms of standards and control, taking into account country specific conditions, specifically:

- *consumer trust in the new EU logo should be strengthened by promotion campaigns; public financial support for the promotion (e.g. through co-funding from the EU) may have positive synergy effects with the private sector,*
- *as national governmental logos were associated with a high willingness to pay (indicating high trust in them) their use should be continued until communication with the new EU logo works effectively,*
- *private logos have a very different recognition and associated willingness to pay in different countries; policy makers are advised to abstain from any direct actions interfering with such private logos,*
- *private logo owners are advised to scrutinise the communication strategy behind their respective logos and in some cases also the viability of their logos in the long run.*

The mandatory EU logo for organic food was introduced to strengthen the organic sector by making the recognition of organic products easier for consumers. The

³ This section draws considerably on Janssen and Hamm (2011b).

results of the CERTCOST project suggest that the extent to which this objective will be reached might differ between the Member States. It is of great importance that the logo itself and its underlying standards are understood correctly by consumers. Regarding the acceptance of the former voluntary organic EU logo it has to be noted that in all countries studied except for Italy the former EU logo was not among the most widely used and preferred logos (Janssen and Hamm, 2010/2011a/2011b). Being *mandatory* there is a new chance that the novel EU logo becomes the dominant logo in a large part of the European market. As intended, the logo might thus help to strengthen the organic sector by fostering smooth trading conditions. However, this can only happen, if consumers recognise and trust the new organic EU logo. This would need a substantial increase in the current spending for promotion. Implementation of promotion should differ between the member states, according to the respective market situation.

In the Czech Republic, Denmark, and Germany the production standards behind the governmental logos correspond with the organic EU standard. While the German Bio-Siegel can be used on request on all products complying with Regulation (EC) No 834/2007, the governmental logos in the Czech Republic and Denmark specify some further requirements. Given the high willingness to pay for governmental logos in Denmark and the Czech Republic, it seems advisable to continue the use of the governmental logos in the foreseeable future in these countries. In Germany, consumers who are frequent buyers of organic food prefer the Demeter logo over the governmental logo, while the opposite is true for less frequent buyers. Therefore, it is advisable to also display the governmental logo in Germany in addition to the mandatory EU logo, at least in a transition period. Assumed, that the EU logo gains consumer trust in the next years the Bio-Siegel might then be dispensable, since it indicates exactly the same as the EU logo.

Under the assumption that the EU follows our recommendation and actively promotes the new organic EU logo it is to be expected that this will have a substantial indirect detrimental effect on private organic certification logos which are already in the market. With the objective to strengthen the overall organic market and to achieve the associated environmental benefits and market transparency it can be argued that such a detrimental effect has to be accepted by private logo owners. However, the European Commission should abstain from any direct intervention to the disadvantage of private organic logos. Such intervention detrimental to private logos was originally intended when the draft of Regulation (EC) No 834/2007 was under discussion. Direct intervention hindering the further use of privately owned organic logos is questionable on legal grounds, considering fundamental rights for economic activity. It should also be noted that from the perspective of further development of the organic systems and standards private organisations play a major role for the dynamic development of the “organic idea”. Also for this reason the private sector should be able to continue the use of the own logos to finance such sector developing activities.

From the viewpoint of private logo owners it is important to recognise that if the projected success of a new EU logo will happen their situation might become more difficult. It will become more important for private organisations to include and communicate potential added values of their production standards and certification scheme to distinguish themselves clearly from the standards and control systems of the mandatory EU logo. Examples for such added values could be stricter production standards and/or a domestic, regional or local origin of the products.

3.4 Recommendation 4: Strengthen the institutional basis

Strengthen the institutional basis of the organic farming certification system at different levels, specifically

- *keep the possibility to have a system of private certification bodies, public certification authorities and a mixture of both and leave the decision about which system is implemented to the respective member state,*
- *check whether the resources allocated to the respective units of the European Commission are sufficient to adequately perform the duties allocated to Commission services by the respective regulation,*
- *investigate whether there is potential to improve the collaboration between the respective units of DG Agri and DG Sanco which are involved in the administration of the organic certification system,*
- *encourage Member States to check whether distribution of tasks within the organic certification system to different authorities and the accreditation bodies within the Member State leaves room for improvement,*
- *seek more direct involvement of stakeholders in the institutional set-up, e.g. provide a platform for knowledge exchange between control bodies, other stakeholders and competent authorities.*

In the case study countries of the CERTCOST project, participants worked with public systems (control authorities) and private systems (control bodies). Sometimes it is argued that competition between private control bodies there would create a strong incentive with respect to the quality of their performance to have a “race to the bottom” and therefore, public systems are preferable. From the work with the data of the institutions involved we did not find evidence that would support this assertion. Deficiencies in the data were common, but not associated to the type of certification system in place. We do not see a need for a fundamental change in institutional setup. However, there is considerable scope for improvements in detail.

The revised organic regulations allocate considerable administrative competencies to the European Commission. For example, since the reform of the import system the Commission has been allocated duties with respect to approval and supervision of control bodies working in third countries. This is a task similar to what the competent authorities of Member States perform in their respective countries. However, it is not obvious that the Commission possesses sufficient resources in order to adequately deal with this task. In Member States competent authorities use an array of methods for supervision of control bodies which are quite labour intensive. It should be checked whether the resources currently allocated to the respective units within the European Commission are sufficient to perform a similar task with respect to the control bodies involved in import.

Regulation (EC) No 834/2007 has made it clear that the organic certification system is part of the food control system of Regulation (EC) No 882/2004. This means that since the year 2009 the annual national reporting on the organic certification system is part of the “multi annual national control plans” and annual reports in the context of Regulation (EC) No 882/2004. There is no supervision report on the organic system available at the European level relating to the time after this new institutional setup entered into force. The latest report from the Commission to the Parliament and the Council on the application of Regulation (EC) No 882/2004 does not make any reference to this new situation. It is thus recommended that a close collaboration between DG Sanco and DG Agri is pursued in order to make full use of the potential of the supervision data submitted by the Member States and to use these reports as a management tool to further improve the organic certification system. In addition it should be required that data at this level are not only stored on paper but in electronic data bases with a structure that fulfils standard requirements to the setup of such data bases.

The distribution of tasks within the organic certification system between different institutions and actors involved differs considerably between Member States. Such diversity is in line with the subsidiarity principle. Some solutions can also be seen critical. In some cases data from certification of a single organic operator are not kept in a single place but in different data bases, sometimes at different institutions. Examples are that data from animal production are stored in a different data base than the data from plant production. In some cases the more severe infringements were not part of the data sets describing the operators on the level of a control body (or control authority). It would be highly desirable to have all the data relating to a single organic operator with a single control body (or control authority) responsible for this operator, as this is one of the prerequisites for an efficient implementation of a risk-based inspection system.

3.5 Recommendation 5: Increase transparency and enhance the information provision to organic operators

Increase transparency and enhance the information provision to organic operators, specifically

- *implement web tutorials including a FAQ section in national languages,*
- *appeal to control bodies to increase transparency by publishing the price lists for their services on their web site,*
- *develop further existing EU websites relevant for organic certification (OFIS, organic farming website).*

For operators actual control time takes only a small share of the total time required in the context of control and certification. More relevant is time required for preparation for control and information search, particularly in those countries which show high growth within organic farming. Information on control requirements and procedures is not easily accessible everywhere. For example, new entrants do not know what additional data they should record as part of their own record keeping system to be able to demonstrate compliance with specific provisions of the standard. It might also be helpful to inform operators about the types and frequency of non-compliance observed. Such information – if regularly updated and provided to operators in an understandable way – could be helpful for operators structuring their activities in a way that non-compliances which are caused by negligence or missing knowledge about the requirements can be avoided.

In countries where the control is carried out by a number of private control bodies, clarity about fees allows operators to better choose which control body they apply for. However, for many control bodies public information on the prices of their various services was not available on their web page. Even information which was available was often difficult to find and understand for the users of the certification system. EN 45011 only asks that price information is provided (through publications, electronic media or other means) and made available on request (Art. 4.8.1 Cen, 1998). In the interest of a transparent market for organic certification services an appeal can be made to the control bodies to publish these price lists on their web sites.

With respect to the new organic import regulation, the stakeholder consultation processes indicated that clear advantages are seen. However, the introduction of the new procedures also led to considerable uncertainty and concerns of stakeholders. More transparency on the procedures applied would have been helpful.

An easy way to provide more information to specific organic actor groups and implicitly contribute to harmonisation is further developing already existing EU websites like the OFIS⁴ as well as the Organic Farming Website⁵.

3.6 Recommendation 6: Invest in the knowledge system

Invest in the knowledge system of the organic certification system, specifically

- *provide European forums for regular and structured information exchange on implementation issues between stakeholders involved in all Member States,*
- *provide training opportunities specifically targeted at actor groups dealing with parts of the implementation of the organic certification system,*
- *implement minimum training levels for inspectors.*

At national level in some countries detailed interpretations and implementation guidelines of the European regulations have evolved. In some cases these are informal (such as legal commentaries published by legal experts, e.g. Rathke et al. (2010)), but never the less influential. In other cases they have a more formal legal status, such as detailed guidelines on the prerequisites for approval of control bodies. Some of these guidelines differ substantially. It is thus recommended that efforts are undertaken by the European Commission, the Member States, and other stakeholders involved to systematically exchange information about these interpretations of the European regulation, e.g. by commonly producing a synopsis on how the organic regulations are understood.

Such communication process – if structured well – could gradually lead to a more harmonised implementation of the European regulations without necessitating a formal legal intervention. In addition to internet tools it might be quite useful to establish a regular conference (e.g. biannual) that brings together control bodies, control authorities, competent authorities, accreditation bodies, European Commission officers, and other stakeholders involved in the organic sector to exchange approaches and information on a regular basis. Such a biannual conference could be partially sponsored by the European Commission. It would be a logical extension of ongoing activities of private associations within the organic certification sector (like EOCC) but is likely to achieve better representation of

⁴ http://ec.europa.eu/agriculture/ofis_public/index.cfm

⁵ http://ec.europa.eu/agriculture/organic/home_en

CHAPTER 3_RECOMMENDATIONS

Member State organisations and of control bodies that are not members of any private organisation.

Training of organic operators can reduce both information search as well as the risk of non-compliance. In some Member States such training courses are mandatory for organic farmers that are members of organic farmer associations. Training courses could be developed by the organic sector associations for producers, processor, and retailers. Some existing courses are financially supported by rural development programs. Similarly, control bodies already provide trainings for inspectors today. It might be possible to provide at least parts of such trainings at a level above the individual control body. This would support a more harmonised implementation of the European regulation across control bodies. Similar “training for trainers” could be established at the European level, also involving responsible individuals from competent authorities and accreditation bodies. Such training courses might be rather effective means to support a more harmonised implementation of the European regulation across the EU.

Organic inspectors are the heart of the organic certification system. To emphasise their role and importance minimum training could be required, possibly by changing EN 45011. Also it might be considered whether the accreditation of organic inspectors could be done independently of the control body for which they are working. European programs such as “Better Training for Safer Food” potentially provide scope for financing such training activities.

4 SPECIFIC RECOMMENDATIONS BY ADDRESSEES

The aim of this section is to provide a concise overview of the addresses of the recommendations in different parts of the certification system. The following stakeholders are involved with the organic certification system and thus addressees of the recommendations:

- Organic operators,
- control bodies / control authorities,
- competent authorities and other Member State authorities,
- accreditation bodies,
- the European Commission,
- private standard owners, and
- other stakeholders.

The following tables indicate for each recommendation who should take the lead and who should in addition be actively involved in the implementation of this recommendation. For a more in-depth discussion of the recommendations and their justification, please refer back to Chapter 3.

CHAPTER 4_SPECIFIC RECOMMENDATIONS BY ADDRESSEES

Table 1: Recommendation 1 by addressees

	Addressees of recommendations						
	operator	control bodies/control authorities	Member State authorities	accreditation bodies	European Commission	Private standard owners	Other stakeholders
Harmonise supervision of the certification system, the approval of control bodies, and data collection, specifically							
<ul style="list-style-type: none"> clearly define at EU level different types of non-compliances (irregularities, infringements) and sanctions, 					<input checked="" type="checkbox"/>		
<ul style="list-style-type: none"> harmonise the use of terms and definitions as well as data collection specifications with respect to non-compliances, sanctions and structural data, 	<input checked="" type="checkbox"/>						
<ul style="list-style-type: none"> produce and publish annually a timely supervision report at EU level that allows a meaningful comparison of the implementation of the organic regulations in all EU Member States, 		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
<ul style="list-style-type: none"> strengthen supervision in Third Countries, e.g. by introducing risk-based inspections of operators, 					<input checked="" type="checkbox"/>		
<ul style="list-style-type: none"> harmonise the implementation of requirements and procedures for approval of control bodies as well as the systems for monitoring and supervision of control bodies. 			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

= should take the lead in implementing this recommendation,

= should be actively involved in the implementation of this recommendation

CHAPTER 4_SPECIFIC RECOMMENDATIONS BY ADDRESSEES

Table 2: Recommendation 2 by addressees

	Addressees of recommendations						
	operator	control bodies/control authorities	Member State authorities	accreditation bodies	European Commission	Private standard owners	Other stakeholders
Develop further the use of risk-based inspection systems, specifically							
<ul style="list-style-type: none"> • support the development of quantitative systems supporting risk-based inspection, 		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
<ul style="list-style-type: none"> • widen the scope of risk-based systems by weighting the “risk of occurrence of non-compliance” by severity of the impact to the market and consumer trust, 		✓	✓		<input checked="" type="checkbox"/>		
<ul style="list-style-type: none"> • implement more elaborate risk-based inspection systems at the level of control bodies in order to support their risk-based inspection activities, 		<input checked="" type="checkbox"/>					
<ul style="list-style-type: none"> • consider to use risk-based inspection systems not only to increase the number of controls in high risk cases but also to decrease the number of controls in low risk cases, 		✓	✓		<input checked="" type="checkbox"/>		
<ul style="list-style-type: none"> • provide common basic requirements for risk-based inspection systems at European level, but leave the implementation details to the control bodies. 		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		

= should take the lead in implementing this recommendation

✓ = should be actively involved in the implementation of this recommendation

CHAPTER 4_SPECIFIC RECOMMENDATIONS BY ADDRESSEES

Table 3: Recommendation 3 by addressees

	Addressees of recommendations						
	operator	control bodies/control authorities	Member State authorities	accreditation bodies	European Commission	Private standard owners	Other stakeholders
<p>Organic logos signal to consumers that a product is organic. To raise consumer trust in the organic certification system, the owners of organic certification logos should raise consumer awareness of their logo and shape consumer perceptions of the underlying scheme in terms of standards and control, taking into account country specific conditions, specifically:</p> <ul style="list-style-type: none"> • consumer trust in the new EU logo should be strengthened by promotion campaigns; public financial support for the promotion (e.g. through co-funding from the EU) may have positive synergy effects with the private sector, • as national governmental logos were associated with a high willingness to pay indicating high trust in them their use should be continued until communication with the new EU logo works effectively, • private logos have a very different recognition and associated willingness to pay in different countries; policy makers are advised to abstain from any direct actions interfering with such private logos, • private logo owners are advised to scrutinise the communication strategy behind their respective logos and in some cases also the viability of their logos in the long run. 					☑		
			☑				
			☑		☑		
						☑	

☑ = should take the lead in implementing this recommendation, ✓ = should be actively involved in the implementation of this recommendation

CHAPTER 4_SPECIFIC RECOMMENDATIONS BY ADDRESSEES

Table 4: Recommendation 4 by addressees

	Addressees of recommendations						
	operator	control bodies/control authorities	Member State authorities	accreditation bodies	European Commission	Private standard owners	Other stakeholders
Strengthen the institutional basis of the organic farming certification system at different levels, specifically							
<ul style="list-style-type: none"> keep the possibility to have a system of private certification bodies, public certification authorities, and a mixture of both and leave the decision about which system is implemented to the respective member state, 			✓		☑		
<ul style="list-style-type: none"> check whether the resources allocated to the respective units of the European Commission are sufficient to adequately perform the duties allocated to Commission services by the respective regulation, 					☑		
<ul style="list-style-type: none"> investigate whether there is potential to improve the collaboration between the respective units of DG Agri and DG Sanco which are involved in the administration of the organic certification system, 					☑		
<ul style="list-style-type: none"> encourage Member States to check whether distribution of tasks within the organic certification system to different authorities and the accreditation bodies within the member state leaves room for improvement, 			☑	✓	✓		
<ul style="list-style-type: none"> seek more direct involvement of stakeholders in the institutional set-up, e.g. provide a platform for knowledge exchange between control bodies, other stakeholders and competent authorities. 		✓	✓		☑	✓	

☑ = should take the lead in implementing this recommendation, ✓ = should be actively involved in the implementation of this recommendation

CHAPTER 4_SPECIFIC RECOMMENDATIONS BY ADDRESSEES

Table 5: Recommendations 5 and 6 by addressees

	Addressees of recommendations						
	operator	control bodies/control authorities	Member State authorities	accreditation bodies	European Commission	Private standard owners	Other stakeholders
Increase transparency and enhance the information provision to organic operators, specifically							
<ul style="list-style-type: none"> • implement web tutorials including a FAQ section in national languages, 	✓		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
<ul style="list-style-type: none"> • appeal to control bodies to increase transparency by publishing the price lists for their services on their web site, 		<input checked="" type="checkbox"/>					
<ul style="list-style-type: none"> • develop further existing EU websites relevant for organic certification (OFIS, organic farming website). 					<input checked="" type="checkbox"/>		
Invest in the knowledge system of the organic certification system, specifically							
<ul style="list-style-type: none"> • provide European forums for regular and structured information exchange on implementation issues between stakeholders involved in all Member States 	✓	✓	✓	✓	<input checked="" type="checkbox"/>	✓	✓
<ul style="list-style-type: none"> • provide training opportunities specifically targeted at actor groups dealing with parts of the implementation of the organic certification system, 	✓	✓	<input checked="" type="checkbox"/>	✓	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	✓
<ul style="list-style-type: none"> • implement minimum training levels for inspectors 		✓	✓	✓	<input checked="" type="checkbox"/>		

= should take the lead in implementing this recommendation, ✓ = should be actively involved in the implementation of this recommendation

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