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Organic farming and certification*

by

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Chapter 1

ORGANIC FARMING

Concepts

The concept of organic farming is based on a holistic viewpoint, meaning that nature is perceived to be more than just the separate individual elements into which it may be split. Its principles are found in ecology, a science concerned with the interrelationship of living organisms and their environments. In practical terms, this means that organic farmers obtain their inspiration and learn from natural eco-systems. Farmers try to imitate at farm level basic characteristics of relevant eco-systems, for instance by working towards the maximal use and recycling of on-farm resources (fodder, manure, organic waste, etc.).

Organic farming differs from industrialized agriculture in that in the latter, biological systems are to a larger extent replaced by technical systems. For instance, the diversified rotation of crops, with its biological significance, is often supplanted by monocultural practices giving rise to the need to use pesticides and artificial fertilizers, and organic manure is often exchanged for artificial fertilizers.

The concept of organic farming also covers economic and social aspects of agricultural production, local as well as global.

In organic farming, the aim is to support and strengthen biological processes without recourse to technical remedies such as synthetic fertilizers and pesticides and the genetic modification of organisms (GMO); hence, the approach to the control of weeds, pests and diseases is primarily preventive.

Organic farming is based on the enhancement of the structure and the fertility of the soil, a balanced choice of crops, and the implementation of diversified crop rotation systems. The number of animals kept on the farm and the available land area are correlated so that farm units can cover their need for feed and soil nutrients from within the system.

Among its key characteristics are the use of organic materials to maintain organic matter and nutrients in the soil (including green manure), nitrogen-fixing plants, pest-resistant plant varieties, soil management techniques such as mulching and the use of fallow periods, various cropping systems (including inter-cropping) and agroforestry. (Agroforestry consists of land-use systems in which woody perennials are grown in association with crops and/or livestock). Organic farming gives due consideration to animal welfare and the use of manual, mechanical and thermic weeding.

Organic farming merges traditional and respectful views on nature with modern scientific insights. It encompasses several farming methods and approaches. For instance, research carried out by Müller and Rusch in the first half of this century has been adapted and further developed by one of Germany's largest organic farmers associations (Bioland). The Soil Association in the United Kingdom has its roots in the work of Albert Howard and Eve Balfour who focuses on soil fertility and health.

Biodynamic agriculture (a contracted translation of the German biologisch-dynamische Landwirtschaft) is yet another approach; it is based on anthroposophy and the ideas formulated in the 1920s by the Austrian Rudolf Steiner. The maintenance and furtherance of life-processes in the soil, and in nature in general, as well as the harnessing of cosmic energy and other influences from the sun, the stars, the moon and other planets, are basic principles. Biodynamic agriculture advocates the combination of animal husbandry and crop production (mixed farming) and it uses compost and biodynamic preparations (naturally occurring plant, animal and mineral materials which are combined in specific recipes) in order to vitalize the soil and to enable it to transmit this vitality to plants and subsequently to animals and human beings. Sowing, cultivation and harvesting are timed according to cosmic rhythms.

There are other but not organic approaches which represent alternatives to high-external-input production systems, and which are more environmentally friendly but not organic. An example is low-external-input sustainable agriculture (LEISA), which is based on the increased use of local resources. A key factor distinguishing LEISA from organic farming is the use of chemical inputs, which is reduced but not eliminated.

Integrated farming systems combine the use of chemical and biological controls. Among the techniques utilized are integrated pest management (IPM), integrated nutrient management (INM) and integrated weed management (IWM). Integrated farming systems are seen by some as a compromise between organic farming and intensive conventional agriculture.

Standards and certification

The subjects of standards and certification and the forms they have taken worldwide are discussed in greater detail in chapter 2. What is important to point out here is that one of the most significant factors distinguishing organic farming from other concepts of sustainable agriculture is the existence of production standards and certification procedures. Standards have been developed by private associations, entitling members to use the respective associations organic brands and guarantee labels when marketing their products. At least 100 regional or national standards have been developed worldwide. Several countries are formulating or have adopted laws and regulations on organic production and processing and on certification requirements to control the use of labels indicating organic origin.

The certification of organic production methods is an increasingly important aspect of the international trade in organic products. Most regulations require products that are labelled organic to be certified by an independent body, thereby providing a guarantee that the goods have indeed been produced according to organic production standards.

Practical obstacles and constraints to conversion in developing countries

As organic agriculture seems fairly similar to many traditional farming systems in developing countries, conversion from these traditional systems and certification may appear to be an obvious thing to aspire to. However, certification is costly and for subsistence farmers with small marketable surpluses, it may not be economically feasible. On the other hand, costs can be reduced considerably by applying group certification, although further harmonisation of standards for group certification are needed among certification bodies as well as import authorities in target markets in

order for small scale farmers to fully benefit from this option. Additionally, many smallholder production systems cause soil degradation and are not environmentally sustainable.

The adoption of organic farming techniques may also be constrained by the lack of know-how and the absence of training and extension facilities. Furthermore, expertise on local farming conditions is a basic requirement and outsiders, while they may be conversant with the principles of organic farming, may not have this expertise. Research into these conditions is essential to organic farming: for instance, a certain cropping system may be preferable in one area, whereas in another area the threat of a certain pest would dictate a different approach. Uncertainties about ownership and access to land are real obstacles to conversion. Farmers have to be sure that they will be able to benefit from investing, for example, in improved soil fertility in order to want to make such an investment. Difficult access to credit is another factor often impeding initiatives and the implementation of conversion projects.

Some farmers do have access to financial resources and are more likely to consider conversion. However, they also have to contend with marketing constraints. The market for organic products is still comparatively small and is mainly concentrated in the European Union, the United States, Canada and Japan, making access to both market information and the markets themselves difficult. Market access is further hampered by the fact that regulatory requirements for market entry are not harmonised. Additionally, special labels may dominate certain markets, requiring even higher or slightly different standards than the regulatory ones. The length of the conversion period, normally two to three years, is also a barrier, as products usually cannot be sold as organic during this period.

These are some of the direct impediments to conversion by smallholders. However, the issue is wider and more complex. Take the question of the external costs of high-input conventional farming. These costs, which take such forms as for instance the pollution of drinking water and reduced bio-diversity, are not reflected in the market prices of the products of conventional farming; if they were, these products would perhaps be less price competitive. Furthermore, some enterprises have an interest in promoting the inputs on which these conventional systems are based, and stimulate activities promoting their use, including technological research.

Individual smallholders are usually advised to join or to form cooperatives or other farmers' groups in order to overcome some of the problems described above, create the required critical mass, build the necessary infrastructure (primary processing and packaging facilities), cut costs and improve market access.

Chapter 2

CERTIFICATION

Introduction

A tomato has a price in the market place. A tomato claimed to be produced in accordance with organic farming principles, i.e. an organic tomato, often has a higher price in the same market place. A common way of informing consumers that certain products are produced according to organic production principles, thereby justifying a price premium, is the indication on product labels that the products are organic.

During the last two decades there has been an extraordinary growth in the use of labels referring to the organic origin of products, as well as labels suggesting organic production methods using terms like green and eco-friendly. Until regulations on the labelling of organic products were implemented, it was difficult for consumers to know what was meant by the various terms and which production methods had actually been used. Similarly, producers were in for unfair competition in the sense that products which were organic only to a certain degree could be claimed to be organic or environment friendly in various ways and therefore entitled to a price premium.

Certification is one way of ensuring that products claimed to be organic are actually produced according to organic farming principles. It is thus a way of protecting consumers, producers and traders against the use of misleading or deceptive labels. It is also a marketing instrument enabling producers to access markets for organic products and obtain premium prices. Finally, it creates transparency, as information on certified producing organizations and their products is normally made public.

What is certification of organic food products?

Certification is a procedure for verifying that a product conforms to certain standards. In the case of organic products, certification is primarily an acknowledgement that these products have been produced according to organic production standards (the annex to this chapter defines the basic principles of this certification). These standards may be the standards of private associations or companies, or of certification bodies, or of the state.

Certification bodies may use different private or official standards against which to carry out their certification activities. For instance, organizations of organic producers may establish their own standards, and set up their own certification programmes, rules and procedures, and management regulations for certifying the conformity of their member farmers and their products with these standards. Some certification bodies do not have their own standards, and use official standards. Thus a certification programme may relate to official standards or to private standards; however, wherever official regulations are in place, private certification programmes must be designed so that the certified products comply with both the standards of the private organization concerned and with official regulations.

Once certified, organic products are usually marketed carrying a certification mark indicating that the products are certified organic. The certification mark attests to conformity with certain standards and is in itself not a trademark. However, in most countries the certification mark is also registered as a trademark.

A distinction can be made between private marks (introduced by companies or organic associations which have adopted certification programmes), marks issued by certification bodies, and national marks designated by governments. Most certification programmes use their own logos; in this way, certification also serves to distinguish the products of their members or contracted operations from those of their competitors.

For producers to enter a specific market for certified organic products, their products must be produced and certified according to the standards applicable in that market. If the market has State regulations, these regulations must be complied with. In many cases, it may be an advantage to be certified by a certification body with a certification mark that is well known in that market.

For a product to be certified organic, all operators in the product chain, including farmers, processors, manufacturers, exporters, importers, wholesalers and retailers must be certified as acting in conformity with the standards and regulations of the certification programme concerned. Sometimes different certification bodies certify different operators in the product chain.

Certification may be linked to the production of certain products, or it may relate to the operation as such, for instance the fields of a farm. Such differences depend on the certification scheme applied.

Once certified, it is the operator who labels the product with the certification mark and it is the producer who is continuously responsible to the certification body and/or the owner of the mark for its correct use.

It should be noted that certification of organic products is basically the certification of a production system, as opposed to the certification of a product. It is more complex than product certification because it cannot be based solely on measurable product characteristics.

Certification procedures

Broadly, the certification process may be split into two parts: inspection (or control) to verify that production and handling are carried out in accordance with the standards against which certification is to be done; and certification to confirm that production and handling conforms to standards. A certification body may operate its own inspection activities, or inspections may be carried out on its behalf by external inspection bodies. The decision as to whether adequate confidence is provided that production and handling are in conformity with the standards rests with the certification committee or manager.

Certification procedures for the certification of organic products should make it possible to track and control the flow of products from primary production at farm level through each stage of manufacturing right to the final consumer product.

Certification is based on a systematic procedure consisting of several steps. The operator, i.e. the farmer, the processor, the trader or whoever is handling the product and needs certification, and a certification body sign a contract, and then the certification body registers the operator. Farmers are required to provide basic information on the farm, such as size of fields, crops, crop rotation, etc. Processors and packers must submit information on recipes, capacities, range of products, operations, etc.

The next step is inspection. It may be carried out by an inspection body on behalf of the certification body or by the certification body itself. On-site checks are carried out by inspectors who follow a verification programme. At the level of farms or operators, inspections cover fields and facilities, production practices, inputs and materials used, and records. The findings are presented in a report and submitted for evaluation, normally by a special certification committee representing various areas of competence and different sectors. The third step is certification. If the certification body is confident that the operation is in conformity with the standards against which the inspection and certification are carried out, a certificate will be forwarded to the operator, stating such conformity. The operator will be licensed to use the certificate or mark of certification on its products, and the operator will be entitled to use the term "organic" on the product labelling.

The inspection of a certification programme covers agricultural production, processing, trade, labelling and certificates. The key elements of inspection are verification and evaluation. Certification is not a one-time procedure: it is carried out continuously on the basis of ongoing monitoring and inspection. The cost of certification varies, and the fee structure of certification bodies varies. Fee schedules are often based on the nature and size of farm operation, the volume of sales, and work incurred. Sales related fees are typically in the range of 0.5 to 1%, and higher for smaller farms. Fee schedules may vary for domestic and foreign inspection and certification activities, as foreign activities often seem to be more directly related to costs incurred, hence depending to a large extent on whether a local or regional inspector is available or not. For processors and traders there may be a fixed price, as well as a percentage of the commercial value ranging between 0.1% and 2%. Usually, the percentage decreases with the size of the operation.

Accreditation

The process of certification should meet basic criteria of impartiality, transparency and competence. Certification bodies may be evaluated according to their ability to meet such criteria, and this requires an analysis of their certification systems, including an assessment of their personnel, standards and their inspection and certification procedures. If a certification body meets the requirements, it may be awarded accreditation status, meaning that an authoritative body gives formal recognition that the certification body is competent to carry out certification activities. An accreditation contract is signed, which sets out the terms and conditions for the use of the accreditation status. Hence, accreditation assures users of the competence and impartiality of the certification body accredited.

There is no international regulation on who may or may not carry out accreditation. However, several countries have designated official bodies for the accreditation of certification bodies. The international accreditation forum (IAF) is the world association of accreditation bodies operating in the field of product conformity assessments. Its primary function is to assure that accredited certificates may be relied upon. One of its objectives is to establish the equivalence of its members' accreditation programmes on the basis of a multilateral, mutual recognition agreement (MLA) among them. The objective of the MLA is to ensure that once an operator is certified by an

accredited certification body, this certification will be accepted everywhere in the world. Further information on IAF is provided at its web page http://www.iaf.nu

Within the organic industry, the international federation of organic agriculture movement (IFOAM) (see later this chapter) has established an international accreditation programme, which is designed specifically for accreditation of certification bodies. This accreditation programme is operated by the international organic accreditation service (IOAS). IOAS is an independent non-profit organization with IFOAM as sole member. Accreditation by IOAS, also called "IFOAM accreditation", is based on compliance with IFOAM's basic standards and its accreditation criteria for programmes certifying organic agriculture and processing. As of mid 2002, 18 certification bodies were accredited by IOAS and 11 were in the process of being accredited. The majority of the IOAS accredited certification bodies use the seal "IFOAM accredited", indicating that they are accredited by IOAS. Further information is provided at IOAS' web page http://www.ioas.org

The IAOS implements a multilateral recognition agreement, to which the IFOAM accredited certification bodies can become signatories. Signatories recognise the equivalency of each others' standards.

Until 2001, it has not been possible for IOAS to become a member of IAF. However, with a change in the bylaws of IAF, this is now possible.

In 1999, the international social and environmental accreditation and labelling (ISEAL) alliance was formed. It is a forum for collaboration between many of the international standard-setting and accreditation organisations concerned with social and environmental criteria in certification. IFOAM and IOAS are members of ISEAL, other members include fair trade labelling organizations (FLO). Further information on ISEAL is provided at its web page http://www.isealalliance.org

Standards: development and application

Standards set the frame for organic farming and processing practices and the use of marks and descriptions in reference to organic production methods. Production standards and the accompanying brands were in the past largely developed by organizations in the private sector, which also authorized complying farmer members to use their brands.

Over the last decade, standards have increasingly been embodied in public regulations, including laws. These regulations define the conditions for references to organic production methods on product labels. Such standards may set out the principles for organic farming, processing and trade, list prohibited or allowed substances or conduct, and prescribe control and certification measures.

There is at present no regulation on organic products applicable worldwide. Different associations, industries or governments may have varying perceptions of how organic products should be defined and certified. Thus, individual brands naming products organic may have disparate standards for organic production and certification behind them.

Moreover, diversities in, for instance, climatic, ecological or social conditions, may result in differing production standards. However, the development of standards for organic production and trade in the FAO/WHO Codex Alimentarius Commission is an important step towards a common understanding of what the term implies.

The international trade in organic products can therefore be quite complex. Many developing countries, mostly exporters, could benefit from increased harmonization or an international procedure for establishing the equivalence of organic standards. However, standards do exist and are being continuously developed at the international level, particularly in two forums: IFOAM and the Codex Alimentarius Commission.

IFOAM

The International Federation of Organic Agriculture Movements (IFOAM) was established in 1972 as an umbrella organization for national organic agriculture associations. Members also include certification bodies, traders and processors. IFOAM has established international Basic Standards of Organic Agriculture and Food Processing, which provide a framework for various certification programmes. The IFOAM standards are updated regularly by the IFOAM Standards Committee and are approved by the IFOAM General Assembly. IFOAM has consultative status with the European Union (EU) and the Codex Alimentarius Commission, and a formal liaison status with FAO. IFOAM is also listed by the International Organisation for Standardization (ISO) as an international standardising body, and accepted as liaison to the ISO conformity assessment committee (ISO CASCO).

Further information on IFOAM is provided at its web page http://www.ifoam.org

Demeter International eV

Demeter International eV is a worldwide network of 19 international certification bodies in Africa, Australia, Europe and North America. It claims to represent around 3,000 farmers in 35 countries, covering around 100,000 hectares of biodynamically cultivated land. Its internationally recognized mark is registered in over 50 countries. Organic farmers following biodynamic production principles (see chapter 1 for a brief description of these principles) may be certified against Demeter standards and thereby authorized to label their products with the Demeter mark. Standards are agreed internationally, although there may be some national differences of interpretation. The biodynamic standards are formulated in such a way as to comply with international regulations on organic farming. Demeter International also runs an accreditation programme and assists in the establishment of certification bodies.

Further information on Demeter International is provided at its web site http://www.demeter.net

Codex Alimentarius Commission

In 1962, the Joint FAO/WHO Food Standards Programme was created in order to protect consumers from health hazards and deception while at the same time facilitating international trade in food products. The Programme operates through an intergovernmental body referred to as the Codex Alimentarius Commission. The work of the Commission aims primarily at the prevention of the use of international standards as technical barriers to the trade in food products. The work of the Commission has been specifically recognized under the Agreement on the Application of Sanitary and Phytosanitary Measures of the World Trade Organization (WTO).

Two Codex committees are currently developing standards that are relevant to the international trade in organic products. The first is the Committee on Food Labelling which is establishing guidelines for the production, processing, labelling and marketing of organically produced foods. The Committee on Food Import and Export Inspection and Certification Systems is developing guidelines for food import and export inspection and certification systems.

In 1999, the Commission adopted Guidelines for the Production, Processing, Labelling and Marketing of Organically Produced Foods, excluding livestock and livestock products. At its twenty-fourth session in 2001, the Committee on Food Labelling adopted the sections concerning livestock and livestock products, bee-keeping and bee products for inclusion in the guidelines. The guidelines can be found at its web site
ftp://ftp.fao.org/codex/standard/booklets/Organics/gl01_32e.pdf

While the development of Codex guidelines is not a way of establishing equivalency, WTO may refer to these guidelines in its dispute settlement procedures. The significance of the guidelines will depend on the extent to which WTO uses them in this way, as well as on the extent to which governments use them when formulating regulations. The formulation of the Codex guidelines is largely based on European Union regulations on organic food products and IFOAM standards. The guidelines should be of assistance to countries developing regulations on organic food products. The guidelines are continuously amended, for instance, draft amendments are presently being considered by the committee on food labelling. Further information on the codex alimentarius committee, including details on the work of the various committees, can be found at its web site http://www.codexalimentarius.net/

World Trade Organization

WTO administers global trade rules, including rules on technical barriers to trade and on the application of sanitary and phytosanitary measures. It also offers a mechanism for conciliation and dispute settlement. A country exporting organic food products, which is refused access to an importing country's market on grounds that the organic standards applied are not equivalent to the importing country's standards, may refer the issue to WTO if it considers the refusal to be a violation of global trade rules, i.e. based on a technical barrier to trade. WTO may rule against the importing country if the exporting country is found to comply with international standards for organic food products, such as those being formulated by the Codex Alimentarius Commission, even if the exporting country does not comply with the more stringent requirements of the importing country.

It should be noted that, in general, WTO is opposed to trade restrictions based on production and processing methods (referred to as PPMs) and some experts are claiming that eco-labelling based on such criteria are against WTO rules, in particular those of the Agreement on Technical Barriers to Trade. In their view this would apply even to mandatory regulations like Council Regulation (EEC) No. 2092/91 and its amendments. Further information on WTO can be found at its web site http://www.wto.org

International Organization for Standardization (ISO)

The International Organization for Standardization (ISO), established in 1947, is a worldwide federation of national standards bodies from some 130 countries, one from each country.

ISO promotes the development of standardization with a view to facilitating the international exchange of goods and services, as well as cooperation in the intellectual, scientific, technological and economic spheres. ISO's work results in international agreements which are published as International Standards.

ISO covers all technical fields with the exception of electrical and electronic engineering. However, it has not published guides or standards which specifically address organic production. The ISO 9000 series of standards are standards for quality management systems and the ISO 14000 series deals with different aspects of environmental management, including environmental management systems, environmental labelling and the environmental aspects of product standards. The standards do not have any direct implications for the methods and principles applicable to organic food production.

The most important guide for organic certification is currently ISO/IEC Guide 65:1996, General requirements for bodies operating product certification systems, which establishes principles for certification bodies. There is no guide specific to the certification of production methods, but Guide 65 provides general guidance for any product certification body, including those certifying organic food products. The IFOAM Accreditation Criteria for Programmes Certifying Organic Agriculture and Processing are based on ISO/IEC Guide 65 and are applicable to production certification within the organic sector. The Demeter Accreditation Program likewise accredits organizations in accordance with this Guide.

Another important guide is ISO/IEC Guide 61:1996, General requirements for assessment and accreditation of certification/registration bodies, which defines requirements for accreditation bodies. Further information on ISO is available at its web site http://www.iso.org

CEN and CENELEC

In the European Union, standardizing bodies at the regional level include the European Committee for Standardization (CEN) and the European Committee for Electrotechnical Standardization (CENELEC). Their members are the national standards bodies of EU member countries as well as the Czech Republic, Iceland, Norway and Switzerland. In addition to formulating their own European standards, these bodies adopt standards issued by international standardizing bodies such as ISO and IEC.

CEN and CENELEC have jointly published the European Standard (EN) 45011 (1998), General criteria for certification bodies operating product certification. EN 45011 (1998) corresponds to ISO/IEC Guide 65:1996. EN 45011 is based on ISO/IEC Guide 40:1983, General requirements for the acceptance of certification bodies, which was also the basis for the development of ISO/IEC Guide 65. While EN 45011 is not specifically applicable to the certification of production methods, it applies to any certification body operating within EU, including organic certification bodies. As of 1 January 1998, inspection bodies approved by EU must satisfy the requirements laid down in EN 45011.

EN 45011 belongs to the 45000 series of standards covering testing, certification and accreditation. Another standard in the series is EN 45010, General requirements for assessment and accreditation of certification/registration bodies, which corresponds to ISO/IEC Guide 61. Further information on CEN and CENELEC can be obtained at their web sites, http://www.cenorm.be/ and http://www.cenelec.org, respectively.

Regulations in major markets

Prior to the establishment of regulations, exporters could legally label products as organic and sell their products in any country. Regulations in the majority of importing countries have introduced a legal equivalence requirement for products marketed as organic in those countries.

To date, regulations essentially deal with references to the organic production method on labels. They do not define standards for the use of private trade marks or certification marks. This implies that regulations may be supplemented by private quality seals based on private standards. Many certification bodies within EU have chosen to keep private standards; some have not.

European Union

Production and certification

The basic EU regulations on organic food products are set out in Council Regulation (EEC) No. 2092/91 of 24 June 1991 and its amendments. The regulation has been amended and added to several times. A consolidated version of the Regulation and its amendments is available at http://www.organicts.com/organic_info/certification/links/index.html

The EU Regulation applies to all processed and unprocessed crop and livestock products, as well as feeding stuffs. The administration and enforcement of organic standards are carried out by national authorities.

According to Article 5 of the Regulation, the labelling of a product may refer to the organic production method only if the product was produced in accordance with the rules laid down in Article 6 (Rules of Production) and if the producer or importer is subject to the inspection measures laid down in Articles 8 and 9 (Inspection System).

In addition to the indication on products that they are organic, such products may also be labelled with an EU logo. The logo is presented in community regulation (EC) no 331/2000, which is available at web site
http://europa.eu.int/eur-lex/pri/en/oj/dat/2000/l_048/l_04820000219en00010028.pdf

Annex I to the Regulation defines the EU principles of organic production at farm level and Annex II cites the materials that are authorized for use in soil conditioning, fertilization and plant protection, feeding and cleaning. Annex III lists minimum inspection requirements and Annex VI sets out the requirements for processed foods. If at least 95% of the agricultural ingredients in the product are organic, the product can be labelled organic providing that the remaining 5% of the ingredients are not available from organic production and are listed in annex VI, Section C. If the product contains between 70% and 95% of organic ingredients (the percentage being based on the weight of the agricultural ingredients), the organic ingredients can be mentioned only in the list of ingredients and the product may not be marketed as an organic product. Annex VII indicates the maximum number of animals, which may be kept per hectare, and annex VIII lists the minimum indoor and outdoor surface areas for different kinds of animals.

The Regulation recognizes the variety of terminology used in the different EU member countries (Article 2), for example ökologisch in German, biologique in French and, of course, organic in English. The certification mark placed on organic products may be freely chosen. The Regulation is based to a large extent on the IFOAM Basic Standards.

Consequently, there are few substantive differences between the two, with some notable exceptions such as the length of conversion periods. Each EU member country has set up an inspection system operated by public inspection authorities, private inspection and/or certification bodies or both. For instance, Denmark and Finland have set up a fully government-run inspection system. Registration and authorization of private certification bodies is carried out by a designated authority in each EU member country and extends only to the work of the certification body within that country. Each year, the European Commission publishes a list of inspection and certification bodies authorized by the various member countries to undertake inspection in individual countries.

The EU commission supervises the implementation of the EU regulation on organic production and labelling. Inspection reports are available at the web site of the EU commission at http://www.europa.eu.int/comm/food/fs/inspections/fnaoi/reports/organic_farming/index_en.html

Imports

Organic food products originating from non-EU member countries may be imported and marketed within EU carrying a label referring to the organic origin of the product, if it is accepted that the products are produced and certified according to procedures equivalent to those of the Union.

There are basically two ways of meeting the requirements for equivalency: a third country may be approved by the European Commission as having standards and inspection measures equivalent to those of EU. The country will then be added to a list of approved countries, the so-called Article 11 list.

Alternatively, an individual EU member country may authorize an importer to import products from a country not on the Article 11 list into that particular EU member country. Under this provision, the importer should apply to the designated authorities in the EU member country for an import permission and the application should be accompanied by documentation on the equivalency of standards and control measures.

Literally, Article 11.7 opens up the possibility of a third-country certification body being added to the Article 11 list upon the request of an EU member state. However, it is interpreted by some as giving EU certification bodies the possibility of being added to the list and authorized to carry out certification activities in approved third countries.

Products imported through any of the above three provisions are subject to the so-called customs regulation (council regulation (EEC) 1788/2001) which was implemented as of 1 November 2002. The main requirements are that all imported products must be accompanied by an original certificate of inspection provided by the certifier of the produce in the country of origin and that all consignments must now be endorsed at the port of entry in the European Union prior to customs clearance. The regulation is available at web site
http://www.organicts.com/organic_info/certification/links/index.html

Article 11 list of third countries

When a third country has established and implemented organic standards, it may apply to the European Commission for inclusion in the Article 11 list.

The Commission will then evaluate the countrys' organic production standards and its certification measures. These standards should correspond with the standards described in Article 6 of Regulation 2092/91, and certification measures should correspond to the measures described in Articles 8 and 9. An approval may apply to certain product categories, regions or production units, as well as to certain certification bodies. It may also refer to certain origins of the products.

In July 2002, only seven countries appeared on the Article 11 list: Argentina, Australia, the Czech Republic, Hungary, Israel, New Zealand and Switzerland.

Each consignment from an approved third country should be accompanied by a certificate, certifying that standards and certification measures are equivalent to those applicable in EU. The certification may be issued only by the approved certification bodies mentioned in the Article 11 list. For example, in Hungary only the Biokontroll Hungria Kht and the SKAL office in that country may issue this certification. It should also be noted that this approval is specific to work in the said third country.

Countries seeking approval may apply to the European Commission.

The detailed rules for implementation of this import provision are specified in commission regulation (EEC) 94/92 of 14 January 1992. A consolidated version of this regulation, including an updated list of countries approved by the EU commission for export to the EU, can be found at http://www.organicts.com/organic_info/certification/links/index.html

Imports from countries not on the Article 11 list

Until 31 December 2005, organic products from countries not on the Article 11 list may be imported into EU under import permits issued by EU member countries, provided that the importer submits documentation that the products are produced and certified according to rules equivalent to those of EU. This provision is commonly referred to as the "importer derogation". The bulk of the products currently entering EU are covered by individual import permits. In the framework of this regime, EU member States have accepted imports from more than 85 countries.

Import permits are granted by designated authorities in each EU member country to specific importers and are valid only for those importers and for import entry into that member country. If the importer wants to use another EU member country as an import entry point, a separate permission must be obtained from the latter country. Once imported into an EU member country, the products may be marketed freely within EU.

Import permits are issued for a certain amount of specific products from specified countries and are valid for defined periods not exceeding 31 December 2005. To obtain an import permission in accordance with Article 11.6a, the importer must provide sufficient evidence that the product is produced in accordance with production requirements equivalent to those laid down in Article 6, that control measures are as effective as those set out in Articles 8 and 9, that these control measures are effectively and permanently implemented, and that certification bodies comply with EN 45011, or those of ISO/IEC Guide 65:1996.

Having accepted the evidence, the delegated authority in the importing EU member country issues an import permit. Any change in the grounds on which an import permission is granted will necessitate a new import permit. For example, if the importer imports the same product from the

same country but through another exporter or if certification is carried out by another certification body, a separate import permit will be required.

Member countries and even regional authorities implement this provision differently, meaning that different kinds of production or control measures are accepted as ensuring equivalency to EU regulations.

Equivalency between production methods in EU and the export country is documented through the use of certification bodies having standards at least equivalent to those of EU or a certification programme that ensures certification against standards equivalent to those of EU. Because of variations in local conditions some differences in primary production methods between EU and third countries are often allowed to a certain extent.

In general, the criteria for granting the import licence are shifting away from evaluation at the production level towards approval of the certification arrangements, including the certification bodies. In order to ensure equivalency in the effectiveness of inspection and certification measures, third-country certification bodies must also satisfy the requirements laid down by EN 45011 or by ISO/IEC Guide 65:1996. EU member countries have agreed on common guidelines on how such conformity can be documented. According to these guidelines, conformity can be decided by:

Official accreditation bodies designated in the third country or in any EU member country for accreditation of certification and inspection bodies (option 1); the competent authority in the third country (government) (option 2); the competent authority in the EU member country which grants import permits (option 3).

In the first instance, the importer must provide documentary evidence that the certification body conforms with the requirements of EN 45011 or ISO/IEC Guide 65:1996, and that this conformity is confirmed by an official accreditation body. The official accreditation body should comply with the requirements for accreditation bodies set out in EN 45010 or ISO/IEC Guide 61, and preferably it should be subject to mutual recognition agreements based on peer evaluation put into place by the international accreditation forum (IAF). Official accreditation processes require the periodic surveillance and reassessment of accredited inspection and certification bodies.

The requirement for accreditation by an official accreditation body is particularly significant for certification bodies in developing countries, as it can be quite expensive to obtain such accreditation. Additionally, many countries may not have official accreditation bodies, or the official accreditation bodies may not be subject to mutual recognition agreements. In such cases, applying option one would imply accreditation by foreign official accreditation bodies.

At this moment, IFOAM accreditation is generally not acceptable for EU member state import authorities as evidence of the conformity of a certification body with EN 45011 or ISO/IEC Guide 65. IFOAM is not an official accreditation body that can be designated by any third country or EU member country.

In the second instance, documentation showing that a competent authority in the exporting country guarantees conformity of the certification body with the standards of EN 45011 or ISO/IEC Guide 65 must be submitted by the importer. Additionally, the importer should provide sufficient evidence that the accredited certification bodies are subjected to periodic surveillance and reassessment according to the requirements of EN 45011 and ISO/IEC Guide 65.

In the third instance, the importer must submit all information required by the competent authority in the EU member country to enable the latter to decide on compliance with EN 45011 or ISO/IEC Guide 65. Regular surveillance and reassessment of the certification bodies must be made by independent experts or official accreditation bodies designated or accepted by the competent authority in the EU member country. However, not all competent authorities in EU member countries are ready to implement this option.

There is a possibility that documentation on IFOAM accreditation can in some cases be accepted as meeting documentation requirements under this provision, and some EU member countries may accept evaluations carried out by independent experts.

As has been mentioned earlier, the continuous surveillance and reassessment of certification bodies is part of the official accreditation process. This surveillance and reassessment is increasingly replacing supervision as a means of ensuring the effective application of inspection measures. However, some member countries may in some cases require further evidence that inspection and certification activities in the third country are permanently and effectively applied. There are no common guidelines on how the related supervision is to be carried out and by whom.

The EU member State granting an import authorization notifies the European Commission and the other EU member States and forwards to all of them documentation relevant to the issuance of the import permit.

Other markets

As there is no official international mechanism for harmonisation of standards for organic production and trade, nor for the determination of equivalency between standards and control measures, there is a tendency towards the establishment of equivalency agreements on a bilateral basis. However, until such agreements are reached, it is important for certification bodies, as well as their clients, that they are recognised, or "accredited", in all relevant markets.

In the United States, the National Organic Program (NOP) final rule came into force in October 2002. Discussions between the US Department of Agriculture (USDA) as well as the EU commission on recognition of each other's standards and certification requirements are on-going. More detailed information on the NOP is available at the USDA NOP web site http://www.ams.usda.gov/nop. Visit also http://www.intracen.org/mds Click *Organic Products* then click *Studies.*

On 1 April 2001, new organic regulations for plant based products took effect in Japan. According to these regulations, organic products must carry the mark of the Japanese Agricultural Standard (JAS). In general, the regulations require the registration of certification bodies, as well as the certification of operators by registered certification bodies based on the technical criteria for certification.

The Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF) has recognised the equivalency of the EU system for organic production and certification with the Japanese organic standard. EU certification bodies can then apply to the Japanese authorities for direct recognition of their certification programmes.

MAFF has also recognized that the USDA's National Organic Standards for plant-based organic agricultural products meet the requirements of the Japanese agricultural standards. This official recognition means that plant-based agricultural products from United States operations certified as meeting U.S. organic standards may be labelled organic in Japan.

Certification in exporting countries

Certification in exporting countries may be carried out by local certification bodies, by international certification entities, or under a partnership arrangement between these two types of bodies.

Certification by local bodies

If the exporter wants to enter the European market and the exporting country is on the EU Article 11 list, a certification body appearing on the list should be chosen. For example, for Argentina, which is on the Article 11 list, the local certification bodies Instituto Argentino para la Certificacin y Promocin de Productos Agropecuarios Orgnicos srl (Argencert), and Organizacin Internacional Agropecuaria (OIA) and Letis SA appear in the Article 11 list. They have the approval of the local authorities, for instance, Senasa, part of the Argentine Department of Agriculture, approves certification bodies' activities related to animal products, and Agrifood approves activities related to plant products. The listed bodies may have partnership agreements with private and governmental certification bodies in both Europe and the United States.

Argencert is a limited liability company. It has a standards committee, inspectors and an independent certification committee. It serves several growers, grower groups, processors and traders. Each producer in these groups has a certification agreement with Argencert and is inspected annually. Further information on Argencert is available at their home page http://www.argencert.com.ar/

However, as only very few countries and certification bodies are on the Article 11 list, most operators must rely on international certification to obtain import permits. Local certification bodies wishing to ensure that their certification will be accepted by EU authorities should either seek official accreditation (option 1), or request guarantees from the local authorities that they comply with ISO/IEC Guide 65 (option 2). Such guarantees should be based on legal grounds. However, the services of local certification bodies operating in countries not on the Article 11 list, which are not officially accredited and whose compliance with ISO/IEC Guide 65 is not guaranteed by the local authorities, may be recognized for the purposes of issuing import permits.

This recognition can be obtained through an evaluation carried out by an independent expert acceptable in EU (option 3). An example of such a body is Biolatina SAC. Its main office is in Peru, and it has local inspection offices in Bolivia, Colombia and Nicaragua. It has developed a certification programme for Latin America. Its inspection and certification activities are evaluated by an expert approved by a competent authority in Germany. Further information is available at its home page http://www.biolatina.com.

It is difficult to envisage an export trade in organic products with the EU market based solely on local certification and accreditation. Many countries do not have accreditation facilities, and the cost of official accreditation can be quite high. Additionally, if EU member countries require further evidence that control measures are being effectively and permanently applied, recourse may have to be made to international bodies or experts.

In effect therefore international accreditation and/or close formalised co-operation with international certification bodies, or certification bodies operating in the relevant international markets, are required. It is very common that local certification bodies have established partnerships with international certification bodies.

Countries that have established and implemented national legislation for the production and certification of organic products may apply to the European Commission for inclusion on the Article 11 list.

Certification under partnerships between local and international bodies

Certification may be carried out under a partnership between local certification bodies and/or inspectors, and international certification bodies. The partnership can take various forms, but often the local bodies and/or inspectors carry out the bulk of the activities leading to certification, while the international certification body periodically evaluates the implementation of certification procedures and sometimes issues the certificates. This may reduce certification costs for the operators while providing access to an international certification mark, as well as strengthen local inspection and certification capacity.

Local inspection entities and international certification bodies may enter into partnership contracts under which the local body carries out the on-site inspections, writes inspection reports and submits them to the international certification body; certification is undertaken by the international body, or the products are certified locally, and re-certified by the international certification body. Producers certified this way gain access to the certification mark of the international certification body.

Full certification may also be carried out locally, the only international involvement being supervision to ensure that the certification bodies comply with EN 45011 or ISO/IEC Guide 65 standards or that control measures are being effectively and permanently applied. International supervision may be paid for by an aid organization, the local certification body and, in some cases, by an importer.

Certification by a local branch of an international certification body

An international certification body may establish branch offices elsewhere. Such offices follow the inspection and certification procedures of the mother company and are fully integrated into its international certification system.

Several certification bodies operating at the international level have established branch offices in other countries. For example, IMO, a Swiss certification body, has established branch offices in several countries, including Bolivia, Chile, China, Dominican Republic, India, the United Republic of Tanzania and Turkey. Additionally, there are IMO representatives in countries like Brazil, Egypt, Mexico and Peru. Further information is available at IMO's web page http://www.imo.ch

Certification by international bodies

An operator may choose to be certified directly by an international certification body. International certification is likely to be more expensive than local certification, but if no local certification programme is available it may be the only solution in the short term. For the long term, the establishment of a local certification programme and/or training of local inspectors should be

considered. The international market premium on the product will determine whether certification by a foreign certification body is feasible.

The certification body does not need to be European for the operator to enter the European market. Other international certification bodies may offer certification programmes fulfilling EU requirements. However, some operators choose European certification bodies for exports to Europe on the grounds that this will reduce trade difficulties. Only a minority of the certification bodies approved by the various EU member countries are active in third countries. They include BCS ÖkoGarantie GmbH (Germany), Ecocert (France), Institute for Marktekology or IMO (Switzerland), KRAV (Sweden), Organic Farmers & Growers Ltd (OF&G, United Kingdom), SKAL (Netherlands) and Soil Association Certification Ltd (United Kingdom).

Several European certification bodies are active in many African countries, as well as in India and Sri Lanka. There are even cases, for instance in India, where one operator is inspected and certified by several international certification bodies, American, Australian and European.

In order to gain access also to the United States and the Japanese markets, it is an advantage to obtain certification by a certification body, which is also recognised, or "accredited", in these two markets. Alternatively, the certification body should have agreements with certification bodies recognised in these markets.

Some types of certification arrangements

Subcontracting

Certified operators may enter into subcontracts with other operators to carry out specific operations on their behalf, for instance part of a manufacturing process. The subcontractor may, for example, be a farmers cooperative, a processor or a packer. The certification of such subcontractors is carried out as part of the certification of the main operators (or licensees), who pay for the certification. Subcontractors do not have the right to market their production with the certification mark, and they may handle organic products only within the cooperation agreement with the licensee. The certification mark may be used only by the licensee.

Subcontracting is quite common in many parts of the world, including Europe. Certification based on subcontracting is also done for instance by Argencert in Argentina. It is often a trader or a processor that is certified and holds the certificate and pays for the cost of certification.

Grower groups

Special inspection and certification arrangements can be developed for groups of small producers. In a grower group system, the key elements are the reduction of external inspection through the establishment of an internal control mechanism and common marketing operations for the producers belonging to the system. Grower groups may include small processing units and storage units. Several certification programmes have made special provisions for the certification of smallholders, projects and other kinds of cooperative arrangements. Provisions for the inspection of such groups often differ from those applied to single operators.

The IOAS accreditation system contains criteria for certification of grower groups. However, several non-IFOAM accredited certification bodies have developed their own approach towards group certification. Often, these approaches are adapted to prevailing local conditions. Different approaches for group certification makes it difficult for certification bodies to recognise each others' certification programmes. Additionally, the import authorities in the EU member states have different approaches towards the acceptance of group certification. For example, some authorities require a rate of re-inspection by external inspectors of a least 10 to 25%, others do not specify requirements.

In order to work towards common approaches and criteria for smallholder group certification, two international workshops have been held focusing on certification bodies and import authorities. Proceedings from the last one can be obtained at
http://www.agroeco.nl/en/publications/pdf/Smallholder_group_certification_Proceedings%20.pdf

To mention an example, the certification bodies BCS, Bio Latina, Ecocert, IMO, OCIA and SKAL, which are all active in Latin America, carry out certification of grower group systems there. A control programme has been established which basically covers the design and establishment of an internal control system within the producers organizations. This programme provides for documentation on each farmer (production procedures, basic information, management plan, etc.) and internal inspections.

Setting up a certification programme

The long-term possibility

Inspection and certification can be done locally and, if the appropriate local bodies do not exist, they can be established. The best way forward is to bring together all the parties involved in organic agriculture, including farmers, processors, advocacy organizations, consumer organizations, environmental organizations, university researchers, agricultural extension workers, etc. A committee could be established to review the organic standards of governments, certification bodies, the Codex Alimentarius Commission, and the IFOAM Basic Standards. Guidelines for carrying out inspection and certification at local level are often available: for instance, official regulations (e.g. the European Council Regulation (EEC) No. 2092/91 and its amendments) and the IFOAM criteria for organic certification programmes could provide valuable information.

After reviewing international standards and those of other countries, the committee can develop and recommend national organic standards. These should be consistent with standards in important markets while taking local conditions into consideration. The committee can also recommend a structure for the certification body. Procedures for inspectors and certification should also be established and inspectors must be trained.

After the establishment of the local certification programme, local farmers and processors should be educated about the organic standards and the certification process. When certification has commenced, an application for accreditation should be made. Specific guidelines for establishing local certification bodies can be found in the publication Building Trust in Organics: A Guide to Setting Up Organic Certification Programmes, written by G. Rundgren and published by IFOAM in 1997.

Assistance can also be obtained from the Independent Organic Inspectors Association (http://www.ioia.net), which offers an inspector training course, as well as from other local or international certification bodies, especially those that have been accredited or that appear on the EU Article 11 list. For instance, an international certification or accreditation body may provide tutorial assistance to local professionals in inspection and certification procedures. The training may sometimes be part of a development project, involving external funding, NGOs and other establishments. After the training, a national organic standards committee may be established, and the trained inspectors can carry out local inspections for the international partner. This is the first step towards the creation of a fully operational local programme. To mention one example, the Soil Association Certification Ltd, an officially recognized certification body in the United Kingdom linked with the Soil Association, has provided tutorial assistance to Venezuelan professionals in inspection and certification procedures.

It should be noted that in order for the establishment of a local certification body to be viable, there must be enough local or export trade in organic products to sustain the body. If the organic certification activities are rather small, the establishment of a regional certification body should be considered.

Annex

Basic concepts

Accreditation

A procedure by which an authoritative body evaluates and gives a formal recognition that a certification programme is in accordance with the standards of the authoritative body.

Certificate

Document indicating that adequate confidence is provided that a product, process or service is in conformity with a specific standard. Sometimes named “certificate of registration”.

Certification

A procedure by which a third party gives written assurance that a product, process or service is in conformity with certain standards. Certified organic food products are food products that have been verified to have been produced in accordance with specified standards for organic production and processing.

Certification body

An organization performing certification. Sometimes referred to as the certifier or the certification agency.

Certification mark

A mark or symbol indicating that compliance with standards has been verified.

Certification programme

A system of rules, procedures and management for carrying out certification. One certification body may execute several different certification programmes. Sometimes referred to as a certification system.

Certification transference

The formal recognition by a certification body of another certification body or of individual projects or products certified by that certification body, with the purpose of permitting its own certified operators to trade or process under the certification body’s own certification mark, the products certified by the other certification body.

Competent authority

The official government agency having jurisdiction.

Control, or control body

Terms commonly used by the trade when referring to inspection and an inspection body.

Conversion period

The time between the start of the organic management and the certification of crops and animal husbandry as organic.

Crop rotation

The practice of alternating the species or families of annual and/or biennial crops grown on a specific field in a planned pattern or sequence so as to break weed, pest and disease cycles and to maintain or improve soil fertility and organic matter content.

Genetically modified organism (GMO)

A plant, animal, or microbe that is transformed by genetic engineering.

Indirect certification

A process whereby the license between the certification body and the operator includes the services of parties sub-contracted by the operator or the production of producers organised under the operator.

Inspection

An on-site visit to verify that the performance of an operation is in accordance with specific standards of a certification programme.

Inspection body

The body performing the inspection part of certification. Where a certification body performs its own inspections, the inspection body is identical to the certification body. Sometimes referred to as the inspection agency or the control body.

Inspector

A person appointed to undertake the inspection part of a certification programme.

Internal control system (ISC)

A documented quality assurance system that allows the certification body to delegate annual inspections of individual members of a farmers' group to an identified unit within the certified farmers' group (the operator). (Consequently, a main task of the certification body is to inspect and assure the proper functioning of the internal control system).

Labelling

Any written, printed or graphic representation that is present on the label of a product, accompanies the product, or is displayed near the product.

Licence

A document issued under the rules of a certification programme, by which a certification body grants a person or body the right to use certificates or certification marks for its products, processes or services in accordance with the rules of the relevant certification programme.

Licensee

An operator that has a license to use a certification mark

Operator

Anyone carrying out activities covered by a certification programme, for instance farmers, processors, handlers.

Organic

“Organic” refers to the farming system and products as, for example, described in the IFOAM basic standards and not to “organic chemistry”.

Standards

Documented agreements containing technical specifications or other precise criteria to be used consistently as rules, guidelines or definitions, to ensure that materials, products, processes and services are fit for their purpose. Standards relating to organic food products are production and/or processing standards describing, prescribing, allowing or prohibiting procedures and materials, as well as standards for certification and labelling.

Subcontractor

Anyone carrying out activities covered by a certification programme, for instance farmers, processors, handlers, on behalf of an operator.

EN 45010*

A European standard for accreditation developed by CEN and CENELEC.

EN 45011*

A European standard for certification developed by CEN and CENELEC.

ISO/IEC Guide 53*

An approach to the utilization of a supplier's quality system in third party product certification

ISO/IEC Guide 61*

An international guide to accreditation developed by the international standardization organizations ISO and IEC.

ISO/IEC Guide 62*

General requirements for bodies operating assessment and certification/registration of quality systems

ISO/IEC Guide 65*

An international guide to certification developed by ISO and IEC. This guide corresponds to EN 45011.

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* The EN 45000 series of standards and their corresponding ISO/IEC Guides lay down general criteria for the operation of testing and calibration laboratories, certification bodies for products, quality systems and personnel, inspection bodies, and accreditation bodies with the aim of ensuring confidence and reliability in the activities of these bodies. The EN 45000 standards are also referred to as harmonized standards.