

PROCEEDINGS OF THE GLOBAL ORGANIC MARKET ACCESS CONFERENCE

FEBRUARY 2012

INTERNATIONAL CONFERENCE



Let the Good Products Flow!

Global Organic Market Access in 2012 and Beyond
13-14 February 2012 • Nuremberg Messe, Nuremberg, Germany



In partnership with  BioFach

PROCEEDINGS OF THE GLOBAL MARKET ACCESS CONFERENCE

FEBRUARY 2012



Global Organic Market Access
a project of FAO, IFOAM and UNCTAD

United Nations Conference on Trade and Development, Geneva
Food and Agriculture Organization of the United Nations, Rome
International Federation of Organic Agriculture Movements, Bonn



In partnership with  BioFach

Published by

United Nations Conference on Trade and Development (UNCTAD)
Palais des Nations, 8-14, Av. de la Paix, 1211 Geneva 10, Switzerland
Tel: +41-22-917-5809; Fax: +41-22-917-0051
e-mail: info@unctad.org
Web site: www.unctad.org

Food and Agriculture Organization of the United Nations (FAO)
Viale delle Terme di Caracalla, 00100 Rome, Italy
Tel: +39-06-570-51; Fax: +39-06-570-53152
e-mail: FAO-HQ@fao.org
Web site: www.fao.org

International Federation of Organic Agriculture Movements (IFOAM)
Charles-de-Gaulle Str. 5, 53113 Bonn, Germany
Tel: +49-228-92650-10; Fax: +49-228-92650-99
e-mail: headoffice@ifoam.org
Web site: www.ifoam.org

The views in this publication do not necessarily reflect the views of the United Nations Conference on Trade and Development (UNCTAD), the Food and Agriculture Organization of the United Nations (FAO) or the International Federation of Organic Agriculture Movements (IFOAM). The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of UNCTAD or FAO concerning the legal or development status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

All rights reserved. Reproduction and dissemination of material in this information product for educational or other non-commercial purposes are authorized without any prior written permission from the copyright holders provided the source is fully acknowledged. Reproduction of material in this information product for resale or other commercial purposes is prohibited without written permission of the copyright holders.

This manuscript has been issued without formal United Nations language editing.

UN Policy Clearance

IFOAM ISBN-13: 978-3-940946-98-0

Copyright © 2012 UNCTAD, FAO & IFOAM

PROCEEDINGS OF THE GLOBAL ORGANIC MARKET ACCESS (GOMA) CONFERENCE

PREFACE

BACKGROUND

For ten years, FAO, IFOAM and UNCTAD have worked in partnership to address and reduce barriers to trade of organic products resulting from the global proliferation of organic standards and technical regulations. Our partnership began with convening of a conference in Nuremberg in 2002 called “The Organic Guarantee System: the need and strategy for harmonization and equivalence.” Shortly thereafter, we convened the International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF), which analyzed the situation, examined potential solutions and developed tools and recommendations for implementing solutions. The tools provide ways to improve the efficiency and standardization of processes for assessing equivalence of organic standards and certification performance requirements. In 2009 we embarked on a follow-up project entitled “Global Organic Market Access” which aimed to create even more awareness of the need for increasing organic market access, and to disseminate the recommendations and tools of the ITF and facilitate their implementation.

CONFERENCE DESCRIPTION

At this high-level international conference, the partners drew together a distinguished group of public and private sector leaders to examine the past, present and future of organic market access relative to systems of organic standards and conformity assessment. Developments and challenges for dominant and emerging exporting/importing economies and for still-developing countries were highlighted and discussed.

Models of public-private and regional cooperation were considered as potential pathways for global solutions to the challenges. In the early 90’s, regional organic standards were limited to the European Union. Today, regional organic standards are being forged in the Pacific island countries and territories, East Africa, Central America and Dominican Republic and South/South-East Asia. The development of regional organic standards that are strongly based on public-private partnerships are increasingly gathering political support. These processes, which are paving the way toward a new regionalism for organic agriculture, were described in the conference. New developments in equivalence in the organic sector were also examined, including recent bilateral equivalence agreements involving Canada, the United States and the European Union. For future development of equivalence, supportive government import policies and multilateral approaches were encouraged. The conference also looked at emerging issues, such as the potential for organic standards to promote the growth of organic agriculture vis-à-vis their potential to stifle growth. The role and effectiveness of standards to improve the impacts of organic agriculture were also examined.

CONTENTS OF THE PROCEEDINGS

Proceedings of the Global Organic Market Access (GOMA) Conference includes the conference program agenda and report, a participants list, press releases, the presentations of speakers, panelists and rapporteurs, and two background papers, which were distributed at the Conference.

Further information from the Conference is available on the GOMA website, www.goma-organic.org.

ACKNOWLEDGEMENTS

We thank the Norwegian Agency for Development Cooperation (Norad) for its generous financial support of the Global Organic Market Access project. We also thank our Conference partner, BioFach, for its many forms of assistance. We appreciate and thank all the speakers, panelists, rapporteurs and participants for their contributions to the success of the conference and their past and future efforts to let the good products flow.

GOMA STEERING COMMITTEE

Selma Doyran, Joint FAO/WHO Food Standards Programme

Nadia El-Hage Scialabba, FAO

Andre Leu, IFOAM

Ulrich Hoffmann, UNCTAD

Sophia Twarog, UNCTAD

Ong Kung Wai, IFOAM

Selma Doyran

Joint FAO/WHO Food Standards Programme
Nutrition and Consumer Protection Division
Food and Agriculture Organization of the
United Nations
Via delle Terme di Caracalla
00100 Rome, Italy
Tel: +39-06-5705-5826
Fax: +39-06-5705-4593
E-mail: Selma.Doyran@fao.org
Website: www.codexalimentarius.net

Nadia El-Hage Scialabba

Natural Resources Management and Environment Department
Food and Agriculture Organization of the
United Nations
Viale delle Terme di Caracalla
00100 Rome, Italy
Tel: +39-06-5705-6729
Fax: +39-06-5705-3064
E-mail: nadia.scialabba@fao.org
Website: www.fao.org/organicag

Ulrich Hoffmann

United Nations Conference on Trade and
Development
International Trade Division
E.8002, Palais des Nations
CH-1211 Geneva 10, Switzerland
Tel: +41-22-917-5780
Fax: +41-22-917-0247
E-mail: ulrich.hoffmann@unctad.org
Website: www.unctad.org/trade_env

GOMA PROJECT MANAGER

Diane Bowen
International Federation of Organic Agriculture Movements
9150 N. Santa Monica Blvd.
Milwaukee, Wisconsin, 53217
United States
Tel: +1 414 352 5789
Fax: +1 253 669 7921

Andre Leu

International Federation of Organic Agriculture Movements
PO Box 800
Mossman Queensland 4873 Australia
Tel: +61-7409-87610
E-mail: a.leu@ifoam.org
Website: www.ifoam.org

Sophia Twarog

United Nations Conference on Trade and
Development
International Trade Division
E.8015, Palais des Nations
CH-1211 Geneva 10, Switzerland
Tel: + 41-22-917-5082
Fax: + 41-22-917-0247
E-mail: sophia.twarog@unctad.org
Website: www.unctad.org/trade_env

Ong Kung Wai

International Federation of Organic Agriculture Movements
7 Jalan Nunn,
10350 Penang
Malaysia
Tel: +60-12-423-2920
Fax: +60-4-2265-479
E-mail: kungwai@tm.net.my
Website: www.ifoam.org

TABLE OF CONTENTS

Preface	iii
GOMA Conference Report	7
Summary	8
Conference Report	10
Annex 1: Conference Agenda	25
Annex 2: List of Participants	28
GOMA Brief	32
Press Releases	33
GOMA Media Release – 1 February 2012	34
UNCTAD Pre-Conference Press Release	36
UNCTAD Post-Conference Press Release	38
Speaker Presentations	41
Conference Opening	42
10 Years Back and 10 Years Forward	57
Developing Countries and the World Organic Market	66
Enhancing Cooperation	78
Emerging Issues	83
Enhancing Market Access	91
Conference Conclusion	96
Conference Rapporteurs	101
Background Papers	105
Organic Standards and Conformity Assessment Systems Related to International Trade	106
Current Mechanisms That Enable International Trade in Organic Products	121

GOMA CONFERENCE REPORT

SUMMARY

For ten years, FAO, IFOAM and UNCTAD have worked in partnership to address and reduce barriers to trade of organic products resulting from the global proliferation of organic standards and technical regulations. This partnership, which began with a “Harmonization Conference” at BioFach in 2002, has, over the years, continuously attracted stakeholders worldwide in public-private collaboration to work on solutions. The partners organized a second conference ten years after the original one to take stock of progress and look ahead to the future. More specifically, the purpose of the 2012 conference was to:

- highlight key issues and challenges for organic market access;
- gauge developments and progress in the last ten years;
- identify emerging issues affecting harmonization and equivalence among organic guarantee systems;
- note remaining challenges and potential solutions.

The Conference, entitled *Let the Good Products Flow!: Global Organic Market Access in 2012 and Beyond*, was held in Nuremberg, Germany, from 13-14 February 2012. 114 participants from more than 30 countries were in attendance, including government authorities from agriculture and trade, farmers, civil society organizations, academia, certification bodies and private sector businesses.

The Conference included a distinguished group of public and private sector leaders who examined the past, present and future of organic market access relative to the many government and private systems of organic standards and conformity assessment. Developments and challenges for dominant and emerging exporting/importing economies and for still-developing countries were highlighted and discussed. Models of public-private cooperation and regionalization were considered as potential pathways for global solutions to the challenges of an increasing and divergent number of organic standards and conformity assessment requirements. New developments in equivalence in the organic sector were also examined, including recent bilateral equivalence agreements involving Canada, the United States and the European Union. For future development of equivalence, supportive government import policies and multilateral approaches were encouraged. The Conference also examined emerging issues; in particular, new parameters for sustainability labeling in markets (e.g. on fair trade, product carbon and water foot-printing) and the rightful role of organic standards in supporting trade and furthering environmental and social achievements of organic agriculture.

Three keynote speakers addressed the Conference:

- Mr. Harsha V. Singh, Deputy Director-General, World Trade Organization, noted that the work on harmonization and equivalence in the organic sector is an innovative and practical example of implementing the WTO objectives on overcoming technical barriers to trade.
- Mr. Franz Fischler, President, EcoSocial Forum, and former Commissioner for Agriculture, European Union, reminded participants of the role that organic agriculture plays in the context of contemporary global threats and opportunities.
- Ms. Kathleen Merrigan, Deputy Secretary, United States Department of Agriculture, described the aims of the USDA National Organic Program and commented on how expansion of trade in organic products is related to them. She described the benefits of equivalence agreements and essential aspects ensuring their success.

Conference participants expressed the importance of the following pursuits and precepts:

- Governments continue to dialogue and seek opportunities for equivalence, harmonization and cooperation with other governments to facilitate trade and increase cost-savings to all, from smallholders to administrations;
- Public and private sector stakeholders seek and embrace opportunities for partnership, including two-way dialogue, to further harmonize organic guarantee systems and facilitate market access;
- Common objectives are earnestly taken into account in further development of multi-lateral solutions based on equivalence and harmonization;
- Regional organic standards are recognized as a means to advance common requirements, based on regional specificities, encouraging the growth of organic production, local markets and trade.
 - To this effect, the Asia Working Group of the GOMA project approved the Asia Regional Organic Standards (AROS) on 12 February 2012, following earlier regional standards established in Europe, East Africa and the Pacific;
- There is merit in exploring opportunities for achieving equivalence between emerging regional standards as building blocks for enhanced multilateral harmonization;
- Options are explored for the organic movement to better communicate and reflect the full range of sustainability achievements of the sector. Recognized emerging issues should be monitored and widely communicated, but may or may not form part of the certification system.

The implementation of organic guarantee systems is complemented by policies that empower producers (e.g. research, capacity-building, financing), internalize externalities, encourage public procurement of organic goods and build organic entrepreneurships. There is also need to support inexpensive verification systems, such as grower group certification and participatory guarantee systems (PGS) for trade and in the context of community-supported agriculture.

The Conference reader and presentation slides can be downloaded from:

www.goma-organic.org/conference/download-documents/

CONFERENCE REPORT

CONFERENCE OPENING

WELCOME ADDRESSES FROM IFOAM, FAO AND UNCTAD

IFOAM President, Andre Leu drew a backward link between making it easier for all to be involved in trade of organic products and addressing the particular needs of smallholders' access to both short and long market chains. Trade is better than aid for small producers, he emphasized. For this reason, IFOAM is working with FAO and UNCTAD on the global organic market access project, and in addition offering services aimed at easier access.

FAO Assistant Director-General, Alexander Mueller, in an address delivered by Nadia Scialabba, recounted the 2002 conference on harmonization and equivalence and stated that GOMA is a success story in terms of advancing the agenda of trading sustainable agricultural products. Through GOMA, one can see that equivalency is being discussed throughout continents and it seems that this path to "Let the Good Products flow" is promising. It remains important to keep working on regional approaches and fast-forward approaches to equivalency.

UNCTAD's International Trade Division Director, Guillermo Valles, observed that the partnership of FAO, IFOAM and UNCTAD, in addition to working on trade, is addressing poverty reduction and sustainable development, both representing key UN goals. Unlike many trade negotiations, the work highlighted at this conference has enjoyed broad support from stakeholders, and this is as much about advancing South-South trade as meeting demands of markets in the North. He stressed the need for collective conceptual and strategic thinking about the key achievements and lessons of past ITF/GOMA activities and their implications for future approaches, which may also offer some interesting lessons for dealing with private standards and related Non-tariff Trade Barriers (NTBs) in other sectors.

KEYNOTE ADDRESSES

Harsha V. Singh, Deputy Director-General of WTO, remarked on the privilege to be with a group of practitioners that is taking trade matters forward in a practical manner, inter-twined positively with environmental and development considerations. He stressed the need for good governance in the multi-lateral trading system, especially with regards to Non-Tariff Measures, and hence the need for participatory and transparent development of standards. He recalled that using international standards for harmonization is a WTO principle and that multi-lateralization and equivalency are necessary to prevent fragmentation in the global market. For markets to be open, there is need to prevent arbitrary and disguised trade restrictions, with a view to enhancing overall income and growth opportunities. UNCTAD and the International Trade Centre (ITC) have briefed the WTO Committee on Technical Barriers to Trade (TBT) on the organic issues, including requirements for organic certification bodies, need for equivalence and best practices to promote the organic sector. There will be an increasing emphasis on Non-Tariff Measures in 2012, and the organic case is interesting because of its high potential for triple wins – in economic development, the social sphere and environmental protection. But there are challenges to organic trade, such as the high cost of multiple certifications. The work that is the topic of this Conference represents practical implementation of WTO/TBT objectives. This includes developing practical tools for equivalence, fostering regional harmonization, which is increasingly emphasized in the WTO context, and multilateral solutions.

Franz Fischler, President of the Eco-Social Forum Europe and former Agriculture Commissioner of the European Union, stressed the importance of organic farming and food for society. Organic farming provides more public good than any other type of farming, he stated, and it can be a role model for a knowledge-based bio-economy. Functioning food chains are even more important in the organic sector than conventional agriculture and therefore, the work discussed in this Conference is important to sustain and further develop organic farming. However, other areas of support that are also important include scientific knowledge, training of producers, transparency and control, fair distribution of profits in the chain, clear legal frameworks, strong engagement of civil society across the board, and a market focus on consumer information. For organic to succeed in the South, the methods developed in USA and EU should not just be captured and transferred. Rather, rules of organic farming should be developed in the South using advice, but not necessarily rules from the North. Ultimately, organic is about a way of life.

10 YEARS BACK AND 10 YEARS FORWARD

PAST – 2002: THE STARTING POINT AND THE ISSUES

David Crucefix from IOAS reflected on the early development of organic agriculture starting from a foundation of ideology in the 1920's, to the development of standards and certification initiated in the 1970's, and then to an array of standards and conformity assessment systems by 2002, the time of the first conference on harmonization and equivalence. The actors in this array included a variety of governments and private organizations at international, national, regional and local levels. There were 56 government regulations in various stages of maturity and more than 300 organic certification bodies, 29 of which were accredited in IFOAM's private international organic guarantee system. The complex rules-based systems governing organic assurance posed significant challenges in international organic supply chains. The main regulating governments, especially the EU and US, had different models for providing import opportunities to the trade and which contributed to the need for producers to obtain multiple certifications and certification bodies to obtain multiple accreditations to access the variety of world markets. Although certification bodies in the private guarantee system were recognizing one another through a multilateral agreement, government requirements prevailed. On the positive side, some certification bodies had begun to cooperate in other ways to enable trade. Overall, the following generic problems were stressed: extreme focus on paperwork, decline of grassroots democracy in the system, self-focus of the actors, unwillingness/inability to reference international systems, and the complexity of processes for equivalence. The eventual coming together of UNCTAD, FAO and IFOAM helped the actors to focus and interact in different ways than advocating "turf and sovereignty."

PRESENT – 2012: WHAT ITF/GOMA HAVE ACHIEVED, AND CURRENT SITUATION OF MARKET ACCESS

Nadia Scialabba from FAO described the current situation of organic standards, technical regulations and conformity assessment. Now, 110 countries have organic regulations at some stage of development and nearly 550 organic certification bodies operate in 85 countries worldwide. Emerging markets in China, Brazil and India are implementing import requirements. With such an increase of assurance systems and markets, business as usual is no longer an option. Needed changes are inclusion of all countries and their producers in solutions for market access – including reduction of costs for such access. The work of the International Task Force on Harmonization and Equivalence (ITF) and the successor Global Organic Market Access (GOMA)

project was described, emphasizing the development and dissemination of two practical tools for equivalence: the *International Requirements for Organic Certification Bodies (IROCB)* for equivalence of certification performance requirements and the *Guide for Assessing Equivalence of Organic Standards and Technical Regulations (EquiTool)*, which includes the Common Objectives and Requirements for Organic Standards (COROS) as a practical equivalence instrument. These tools provide a means to move from resource-intensive, side-by-side comparisons of technical requirements to a standardized and streamlined approach based on common objectives and related basic requirements. Uptake needs political will. GOMA has also supported regional initiatives on harmonization and equivalence, which help to overcome fragmentation. Regionalization is a promising trend toward solutions, and now 64 countries are participating in regional systems and initiatives to support trade. Regional organic standards build on conditions and culture, while also facilitating integration with other standards, including international standards and common objectives.

FUTURE – 2022: WHAT WILL HAPPEN? WHAT SHOULD HAPPEN?

Gunnar Rundgren, publisher of *The Organic Standard*, posed the question, “Will the future continue the age of enforcement, bring the age of equivalence (as mentioned in the conference opening) or will it become the age of fragmentation (again!)?” The future may be influenced by:

Outside triggers:

- a food and/or energy crisis (more protectionism and de-globalization);
- conventional food scandals;
- more government attention for organic providing ecosystem services in agriculture;
- competition from other schemes and concepts (driving organic either toward mainstreaming or exclusivity);
- conventional transforms toward organic, driving organic to more exclusivity and fragmentation.

Internal drivers:

- fatigue from ever more procedures and limitations;
- seeking of alternative systems, e.g. participatory guarantee systems;
- encouragement for convergence of standards from lock-in effects of agreements;
- convergence of import requirements;
- better understanding of trade flows, for instance IT tools may provide a basis for further differentiation;
- becoming too successful; when this happens organic loses its effect as a differentiating mechanism, leading to further fragmentation.

Organic regulations linked to an ambitious development agenda can be a tool to realize the vision for organic agriculture. This will require seeing organic as a platform for innovation and installing more supportive policies and less restrictive regulations. Changes needed in regulation and certification include increased transparency, more risk orientation, cooperation on systems for trade flow monitoring, and cost-benefit assessment of standards and certification procedures. Organic guarantee systems should return to more democracy and be open for innovation. Market surveillance should increase. Equivalence and mutual recognition should

stay in the forefront, and the ITF Tools are an excellent basis. Accreditation/approval systems for certification bodies should be rationalized, and in this respect the IFOAM system should be considered an attractive offer.

DEVELOPING COUNTRIES AND THE WORLD ORGANIC MARKET

In this session, key actors in regional harmonization initiatives in East Africa, the Pacific, Central America and Asia described their aims, process and outcomes.

DEVELOPMENT OF THE EAST AFRICAN ORGANIC PRODUCT STANDARD (EAOPS)

David Ebuko, from the Uganda Bureau of Standards, noted that the EAOPS is an output of a remarkable public-private partnership in the East African countries of Burundi, Kenya, Rwanda, Tanzania and Uganda. East Africa is a 1.82 million km² region with 133 million people sharing a common history, culture and language. The situation prior to the EAOPS was fragmented, with standards ranging from individual farming operations, to association and national standards. The process for developing this standard contributed to networking, shared understanding and identify, which has strengthened the organic movement in the region in many ways. Participants in the standards-setting process included governments, development organizations, national organic movement organizations and other NGOs, and private enterprises. These groups formed a technical working group to develop the standard with assistance from the project organizers, consisting of UNCTAD, UNEP, IFOAM and Grolink. The development processes, which included national consultations and field testing, produced a final standard in 2007, which was subsequently adopted by the East African Community. The EAOPS constitutes a reference for national legislation, a basis for strengthening the legislative frameworks in the region, a tool for certification and recognition of the region's organic products and a means for awareness, training and education among the population. EAOPS is gaining stature in local markets and efforts are underway to gain international recognition.

DEVELOPMENT OF AN ORGANIC GUARANTEE SYSTEM FOR THE PACIFIC

Karen Mapusua, from the Pacific Organic and Ethical Trade Community, noted that the work on the Pacific Organic Standard (POS) began in 2007 with support from the International Fund for Agricultural Development (IFAD) and IFOAM. Early on, it became evident that a public-private cooperation of the Secretariat of the Pacific Community (SPC) and community stakeholders would be critical to the success. The public/private partnership, which has been a strength of this process, resulted in the formation of the Pacific Organic and Ethical Trade Community (PO-ETCom), a stakeholder-driven group housed in the Secretariat of SPC and with political support of the Pacific High Level Organic Group. The POS is a public standard, officially accepted and endorsed by the Ministers of Agriculture of the region in 2008. One of the key benefits already achieved is raising the awareness of the role and importance of organic agriculture and getting it on the "agenda" of the Ministries of Agriculture of the region. Substantial progress has been made in this area with Heads of Agriculture Departments and Ministers of Agriculture identifying organics as a priority of agricultural development during regional high-level meetings. SPC and POETCom are now seeking the most appropriate structure for the Pacific Organic Guarantee System. This System will foster coherence and cooperation for organic agriculture in the Pacific including expanding the base of certified producers, developing local markets, as well as contributing to a Pacific Organic image for export marketing.

GOVERNMENT COOPERATION IN CENTRAL AMERICA

Sophia Twarog, UNCTAD, noted that the impetus for creating a common organic regulation for Central America and the Dominican Republic came from the creation of a group of competent authorities from these countries. The aims for the harmonization initiative were to facilitate intra-regional trade and to enable the countries to negotiate equivalence agreements as a bloc. The process, which was supported by GOMA, included a comparison among regulations and special reference to the Codex Organic Guidelines. The first draft of the competent authorities was prepared and consulted in the countries via publication and dissemination of the draft, and national and regional workshops. Responses from the consultations were prepared by each country and comprehensively addressed by the competent authorities. The draft regulations are being submitted for consideration of the Central American Agricultural Council with the aim that CAC will adopt them and this will then result in approval by each country at the ministerial level. It is then planned to notify the regulation to the WTO. After finalization, the regional regulation will replace the individual country regulations. The process and progress is also reported to the Inter-American Commission for Organic Agriculture (ICOA), which was established by 20 countries in 2008 and operates as an information and knowledge management network. Among ICOA's objectives are to facilitate trade in organic products and to coordinate, develop, and harmonize the regulations on procedures that govern the production and control of, and trade in, organic products in the member countries.

DEVELOPMENT OF ASIAN REGIONAL ORGANIC STANDARD (AROS)

Lara Vivas, from BAFPS Philippines, presented the Asia Regional Organic Standard (AROS), an initiative of the GOMA-Asia Working Group, with members from countries in East, South-East and South Asia. The Group is mapping a framework for cooperation on organic labeling and trade and a regional standard is a key element. AROS will serve as a reference for harmonization of national standards in the Region. It can be adopted or adapted as a national standard. It also serves as a reference for equivalence of standards in the Asia Region. Its ultimate aim is to facilitate intra- and inter-regional market access for organic products. Its development has also fostered regional cooperation and exchange of information and enhanced private and public sector dialogue. A public-private drafting group was established under the auspices of the GOMA project and aimed at a document based on common international objectives (as defined in the GOMA instrument "Common Objectives and Requirements for Organic Standards" - COROS) and on common regional requirements. The development process included in-country consultations of two drafts, and the GOMA Asia Working Group approved the AROS just prior to this conference. The Working Group is in the process of proposing AROS as a harmonized organic standard of ASEAN (Association of South-East Asian Nations) and it is planned to also approach SAARC (South Asian Association for Regional Cooperation) to likewise adopt it. The intent is to formalize and sustain the standard, and provide a basis for a multilateral recognition agreement in the Region.

PANEL: WHERE ARE DEVELOPING COUNTRIES AND SMALLHOLDERS IN THE ORGANIC TRADE PICTURE? CAN REGIONAL COOPERATION IMPROVE THEIR MARKET ACCESS? HOW CAN NATIONAL AND REGIONAL MARKETS IN DEVELOPING COUNTRIES BE DEVELOPED?

Panelists from Bolivia, Thailand and Uganda indicated that there were other frustrations and priorities for developing country producers regarding trade. They challenged how markets work and market requirements, including financing and pricing, scale requirements and bureaucracy.

- Javier Hurtaldo from Irupana Andean Organic Food S.A., Bolivia illustrated a case of slow and insufficient bureaucratic response regarding positive results of residue testing in the receiving country, causing severe economic losses to the supplier. Exports should be leveraged by also having domestic markets., as often export prices decrease local availability of products (e.g. quinoa) important to local communities.
- According to Vitoon Panyakul from GreenNet, Thailand, guarantee systems command disproportionate resources relative to their value, especially in the regulatory context. The practices on a farm often remain the same regardless of how many different guarantee systems to which they are subjected. Furthermore, the requirements imposed for international trade are often inappropriate and overbearing for small scale farmers in developing countries. Resources should be shifted to focus more on domestic market development and other means to advance organic agriculture; the organic premium alone is no longer enough to convert to organic management, especially when all food prices are on the increase.
- Moses Muwanga from the National Organic Agriculture Movement of Uganda noted that in his country, the current priority challenges for international market access relate to organizing for volume and quality of products, training for standards compliance, and developing financial capital to scale up to meet orders. Another opportunity is to address local tourist market potential. Scaling-up organic agriculture will require investments for developing small and medium-size enterprises, especially with regard to the transition from informal to formal trading and related compliance challenges: financing, capacity-building and cooperation among neighboring countries are crucial to this effect.

DISCUSSION FROM THE FLOOR

Themes emerging from the floor included:

- Regional standards are important as much or more for the benefits of the process as for the standard produced. The process leads to familiarity, trust, and a working relationship among regional actors, which in turn lead to dialogue and cooperation on other aspects of support and problem-solving for organic agriculture in the region;
- Regional standards are very useful within the region. They are more relevant to farmers and result in a better rate of compliance; and one clear, appropriate standard helps everyone to understand and define organic in the region's context. The challenge is to enable regional standards to work for international trade;
- Demand exceeding supply has several negative effects, including siphoning organic products from producing countries and leaving not enough for domestic consumption (and thus, for building domestic markets);
- Regulation and control of organic trade may have become disproportionate and misdirected relative to the other needs for developing organic agriculture and markets;
- There should be more partnerships developed by the actors in the supply chains, both buyers and consultants, with the farmers to enable them to meet the need for financing to scale up, providing quality, meeting certification requirements etc;
- Global markets require also more transparency, and production standards must also include traceability requirements.

From the discussion, there was general agreement that organic standards (based on local needs, regionalism and cooperation), must be complemented with conducive policies (i.e. re-

search and extension, financing for development, trading agreements) and enhanced farmers' participation, with a view to building effective organic entrepreneurship. The overall objective would be to link market access to development goals and create a system whereby supportive policies override restrictive regulations.

ENHANCING COOPERATION

PUBLIC-PRIVATE COOPERATION FOR FACILITATING MULTILATERAL EQUIVALENCE

Markus Arbenz from IFOAM noted, in reviewing the developmental history of organic concepts and standards, the evolution of complexity and the need to address the resulting challenges through harmonization and equivalence while respecting the validity of decentralized thinkers and voices stating what is organic for them. IFOAM has responded to the current reality by developing the Family of Standards, which unites many standards. The tool used to build the Family of Standards is the *Common Objectives and Requirements for Organic Standards (COROS)*, which was developed jointly with the GOMA project. The Family of Standards can serve governments, which can reference it as the basis for recognizing standards equivalent to their own. Saudi Arabia has taken the lead in adopting this public-private partnership approach. Private sector and governments can also exchange views and recommendations. IFOAM has developed a policy brief for government on imports, which includes recommendations to consider imports when making a regulation, adopting a process to efficiently recognize a high number of other standards and certification requirements, and participating in international efforts on harmonization and equivalence. Option for mechanisms to approve imports can include partnership with the private sector, particularly the services from IFOAM's Organic Guarantee System. Recognizing IFOAM accreditation in the process of approving imports can considerably increase efficiency. Or government can use components of the IFOAM system, such as the Family of Standards, or make their own assessment using the common international Tool, COROS. Outside of the IFOAM system, government can also consider to use the results of accreditation that is performed by credible national accreditation bodies.

SYSTEMS OF REGIONAL COOPERATION

GOMA Steering Committee member Ong Kung Wai sketched several models for regional cooperation that enable imports and exports, including the existing and potential cooperative models of the European Union, the East African Community, the Pacific Islands Community, Central America & Dominican Republic, and the Asia Initiative of GOMA. The model for the Asia Framework for Cooperation on Organic Labeling and Trade is a focus of the GOMA project and notable as it includes both regulating and non-regulating countries and is based on the concept of equal reliability among non-equally developed systems. This model provides for "systems" recognition among the regulating countries, and also for recognition of certification in non-regulating countries. This model also elaborates a potential protocol for the recognition among regulating countries, taking into account that the countries supervise conformity assessment in different ways. The protocol includes a joint committee, peer review and information sharing. A model for regional cooperation in the private sector was also presented, derived from the case of Certification Alliance in Asia. The aim of this alliance is to facilitate "one-stop shopping" by operators for certification services to access both domestic and import markets. One inspection, one certification, one accreditation (for certification bodies) is the ideal simplification of the process for market access. This can be accomplished via a combination of systems recognition using international tools and services (such as IFOAM services) and a movement toward regional systems.

HOW GLOBAL ORGANIC MARKET ACCESS CAN BE ACCOMPLISHED

Sophia Twarog noted that much was accomplished in the last ten years and technical tools are now available for equivalence. There are networks in which knowledge is shared and options exist. The goal of accessible markets can be achieved through a vibrant organic sector, benefiting from ever-increasing numbers of consumers, producers and other operators. Organic production systems would meet key common objectives while tailored to local conditions. Trade across systems would be based on harmonization and mutual recognition of standards and conformity assessment systems, using the common Tools (IROCB and EquiTool) for assessments. There could eventually be one global label. Trade can flow with open, liberal import requirements and equivalence agreements that are trade-creating instead of trade-diverting. There should be some focus on avoiding lock-in mechanisms of equivalence agreements that exclude others. Multilateral approaches are key to dealing with the increasing numbers of regulatory systems. Attitudes should shift and instead of fear, insecurity, intolerance and power relations governing organic trade, thinking must be reframed into positive values such as transparency, cooperation, trust and embracing diversity. The world needs a mountain of organic products, not a mountain of duplicative paperwork. There is need to continue working together to “let the good products flow.”

DISCUSSION FROM THE FLOOR

It was questioned whether organic guarantee system measures will really reduce costs for market access, and suggested that some economic studies should be done. Counterviews expressed that economic studies are themselves very costly and that it is clear already that success of these models will reduce costs. The resistance to overcome divergence in standards and compliance assessment systems is not skepticism on reducing costs but more related to the fear to lose power on shaping requirements and governance. This can be overcome, as seen by examples such as East Africa where actors gave up “their own” system for the common good.

It was also commented that a global mark would be just another mark, which is not needed. Another suggestion was for cooperative projects similar to GOMA on organic equivalence to expand the basis, in the decades to come, for sustainability labeling schemes.

EMERGING ISSUES

EXPANDING THE SCOPE OF “ORGANIC” (E.G. TO FAIR, CARBON NEUTRAL, HEALTH), IS THAT A GOOD IDEA AND HOW SHOULD IT PLAY OUT?

Bavo van den Idsert from the Dutch Organic Producers and Traders Association observed that regulations on organic agriculture have had both positive and negative effects. Positive effects include standardization of the schemes, reliability for the consumer, government support, international acceptance and stimulating growth of organic agriculture and markets. But the regulations have not captured many of the sustainability topics that have arisen, including animal welfare, biodiversity, fair trade, carbon neutral, waste prevention, water and energy use reduction and the nature of regulatory processes make it slow to bring them in; in fact, the rules slow down innovation in these areas. In any case, it is difficult to capture the holistic, multifunctional approach of organic agriculture into narrow rules. Although the sustainability topics should inherently arise from organic principles, public perception is that organic is part of sustainable but not all of the sustainability topics are addressed in organic farming. Into this gap are coming private sustainability labeling initiatives and in the case of the EU, new single-

topic regulations e. g. animal welfare. In the private sector, there are new labels and marketing on single-issue approaches. These initiatives can be considered as lining up with four themes: Eco-efficiency (climate neutrality, biodiversity); Less is More (pure-processed); Care for Animals (animal welfare, antibiotic-free); Connected Chains (fair trade, social aspects). The organic movement needs to strengthen the organic system as the most sustainable one. How can this be achieved?

WAYS (OTHER THAN STANDARDS AND CERTIFICATION) OF FULFILLING THE GOALS OF ORGANIC AGRICULTURE

Certification, based on clear and often legally defined standards is the basis for the guarantee that an organic label gives to consumers. But many standards do not clearly state the values on which they are based, observed Susanne Padel from the Organic Research Center, Elm Farm. Organic farmers often aim for public good achievements in their farming that are beyond what the standards specifically address, and likewise consumers, who do not read the standards, may have other expectations. The rules on which certification is based are frequently thresholds and specific practices that are allowed and prohibited, and the farming practice is measured against them as pass-fail. Further achievement is not noted or rewarded, and thus not encouraged through the certification system. The system of standards and third-party inspection in a regulatory environment may not be conducive to ensuring that all the important goals of organic agriculture are met. Some values and goals, e.g. fairness, are difficult to express in the framework of auditing and certification. Alternative paths based on organic principles are being explored. One is a Public Good Tool which is based on identified values, a mixture of qualitative and quantitative indicators, an interactive approach between farmers and advisors to monitor achievements, and charting of level of achievements on values in a spider diagram. This system provides a supplemental measurement of the farm's sustainability. Lessons learned so far in the trials of this approach include that it is important to select relevant, measurable and achievable values, to raise awareness of farmers toward the main goals, and to educate the farmer on ways to progress and to measure progression toward the main goals.

KEEPING UP WITH EVER INCREASING REQUIREMENTS: CAN WE? SHOULD WE?

From the perspective of smallholder farmers in developing countries, Thilak Kariyawasum from Lanka Organic Agriculture Movement outlined some of their challenges to participate in organic markets. There are some overall structural and political barriers. For example, smallholder farmers may have collective ownership of land, as many as 25 people per acre and 50 per hectare. Furthermore, farmers are greatly influenced by government policies and incentives, which are too often aimed to promote high input, conventional farming. At farmers' own level is a triple challenge: to implement the conversion, to find markets, and to meet the requirements for certification, which are complex and changing. Certification, which is also a difficult process for many European farmers, is perceived by smallholders as "exclusive" and "imposed from above." Regulations in the developed country markets which are based on their own situation, are seen as trade barriers, and there is no way for the smallholders to explain to consumers and regulators their situation (such as land tenure) and way of doing things. Even if the farmer can manage to meet standards in the regulations, they can be blocked by private standards-setters with their expanded scope of work e.g. climate friendly, ethical trade. Even if traders pay for certification, farmers are not always educated in what to do. The documentation requirements are challenging, and there should be more nature-based evidence used in the inspection process. Furthermore, farmers feel they are feeding the developed world

instead of their own people. One alternative, often voiced at the local level, is to turn more attention to building local markets, including developing better prices. There are now some examples and case studies where this is being achieved.

ENHANCING MARKET ACCESS

PANEL: HOW EMERGING ORGANIC POWERS ARE SHAPING THEIR GLOBAL ROLES

A panel of actors from Brazil, India and China commented on the development of their organic guarantee systems and implications for trade.

In Brazil, said Rogério Dias from the Ministry of Agriculture, the aim of the government regulation was to be inclusive and oriented toward principles. Local market development was prioritized alongside export. Social control mechanisms, e.g. participatory guarantee systems, are supported for local markets and could be supported for international trade. Currently imported products must comply with the regulation and be certified by a body that is accredited by the national accreditation body.

PVSM Gouri from APEDA observed that India's organic program was instituted ten years ago for export, based on the IFOAM system. At that time, there was not much domestic consumer awareness of organic food and agriculture. To assist the growth of organic agriculture, the government decided to support the development of domestic certification bodies through capacity development. Also, PGS is recognized for local market development (though not regulated) and unemployed youth are trained for the provision of PGS services in local languages. She highlighted that India is the first country to have legalized group certification. Today, US\$326 million in organic products is exported but that represents only 60 % of the total organic production value. The rest is sold domestically. India is committed to using the ITF/GOMA Tools, IROCB, COROS and the Asia Regional Organic Standard (AROS) to assess import eligibility. Countries exporting to India should refer to these Tools.

Jian Tang from Organic Food Development Center informed participants of China's revised regulations, which are aimed to address organic integrity and reduce fraud. The extremely high consumer demand for safe food and the business opportunities for export have created a very strong pressure for buying and selling, and this has caused problems. A tracking system is being instituted, and there are more strict requirements in both production and processing standards and conformity assessment requirements. For example, all producers in smallholders groups will be inspected, rigorous testing is required for all crop production cycles, there will be zero-tolerance for residues, only specific listed products can be certified as organic, an organic code has been created for traceability, and there is a number to call for complaints. Imports must comply with all requirements of the Chinese regulation. More information is available at <http://food.cnca.cn>.

PANEL: HOW DOMINANT MARKETS WORK TOWARDS MUTUAL RECOGNITION

This panel was composed of the heads of the organic regulatory units of the USDA, CFIA - Canada, and EU Commission.

Miles McEvoy from USDA explained their experience with the equivalence agreement between USA and Canada. The main challenge was to find equivalence through the thicket of diverse legal structures and politics. Countries need to have legal mechanisms in the first place to provide for the possibility of equivalence. Lessons learned include that: peer assessment builds confidence, there are diverse approaches and we learn from one another, a system needs to be fully imple-

mented and able to enforce requirements for the equivalence process to operate.

Jean-Francois Hulot from the EU Commission stated that equivalence must be the dominant concept for organic trade. A compliance option for products originating outside the EU is very difficult because for example, the organic regulations reference and depend on many other EU regulations. On the other hand, EU consumer confidence is an essential factor for imports, and the Commission is regularly challenged on this matter. The equivalence process is not a scientific method; however Codex Guidelines and ITF/GOMA Tools can guide it, even in the case of grower groups. Equivalence is best suited to the current situation of diverse regulations. It can account for local conditions and reduces costs in the systems. Approving imported products based on strict compliance with EU requirements will not be pursued by the Commission, as it brings no added value to consumers. The current system of import authorizations will cease in 2014 and from July 2012, direct recognition of certification bodies will be based on equivalence (currently, 50-60 CBs are on the list). Convergence of government standards, through mutual recognition, reciprocity and cooperation, is the path for the future. The trade regime should not replace development policy and local conditions of exporting (developing) countries should be considered for their longer-term growth.

Michel Saumur from Canada Food Inspection Agency (CFIA) informed that in Canada, 80% of organic products are imported. For Canada, equivalency is very important and there is a CFIA policy encouraging it, but this must be done very carefully. Equivalence is easier to do for organic than conventional because of the upstream controls in the organic supply chain. Nevertheless, the equivalency process demands substantial resources and CFIA is open to consider anything that can make it more efficient. GOMA tools such as COROS offer potential for equivalency benchmarking. Important elements of equivalency agreements include: updating the list of CBs; advising on modifications; advising on complaints; and conducting on-site evaluations of each other's regime structures. Maintaining agreements and the underlying trust and confidence of the parties is very important. Equivalence agreements allow working on variances and moving towards harmonization.

DISCUSSION FROM THE FLOOR

Participants asked numerous questions of the US-Canada-EU Panel, some for clarification and others hypothetical.

- Panelists clarified that all their programs accept group certification under certain conditions.
- The prospects for use of ITF/GOMA Tools for assessments were judged variously, with USDA having its own system, EU Commission having ITF Tools in reference to the regulation but not directly using them, and Canada open to such "innovation".
- In response to the question of limiting the equivalency scope to the "country of origin", the EU representative mentioned that this is not written in stone and that the consideration of the applicant country will be made case-by-case.
- The USDA representative mentioned that bilateral agreements were complicated enough, and that private schemes such as the IFOAM Organic Guarantee System do not fit in their regulatory framework, including for equivalence processes.
- EU, USA and Canadian authorities were urged to seriously consider including the rest of the world in equivalence agreements. In response to this appeal, the meeting participants were informed that these countries' regulatory programs are discussing how to establish a process for sharing information on equivalence processes with other countries so as to avoid duplication of work.

DISCUSSION GROUPS

Participants organized themselves into four discussion groups to take up topics arising from the Conference presentations and reported back to the Plenary.

Group One: What key needs and concerns are yet to be solved by existing harmonization and equivalence initiatives?

- The current system of bilateral equivalence is insufficient to include all countries; regionalization, multilateral approaches (starting with equivalence between regional standards) and solutions through trade agreements should be pursued instead.
- The approaches and tools for establishing mutual recognition should be expanded. These include reference to the IFOAM Organic Guarantee System and ISO 65, and for a government to recognize, upstream and downstream, other equivalence agreements that are made by its equivalence partners.
- Code and data collection systems should be implemented to track organic trade flows.
- Developed countries should provide capacity development and prioritize developing countries for equivalence.

Group Two: How shall the organic sector, and organic regulations, respond to increased attention to emerging society, market or consumer expectations and its own principles of broader sustainability?

- Current organic principles, objectives and requirements should continue to be the core of guarantee systems.
- Any other topics on global sustainability that are considered for addition to standards and certification should be able to be properly addressed in the inspection and certification process.
- Better messaging is needed about what the core of organic agriculture practice is, and how other topics on global sustainability are related.
- There should be support in the movement for local/regional organic market development in addition to international trade.

Group Three: What can private sector actors do to facilitate increased equivalence?

- Unique qualities and contributions of the private sector include that the private sector has a better idea of what is happening on the ground and could thus pioneer new standards. In fact, all regulatory standards came from private standards – and these move faster than the public sector.
- IFOAM and IOAS should maintain and increase partnerships with UN on these topics, and also hold onto its private guarantee system.
- There is need to create an effective international platform like the Organic Trade Association to put the case to governments on an international basis.
- Integrity is more important than equivalence and direct traders' engagement is crucial to lead the dialogue with governments and regional bodies on equivalency.

Group Four: How can it be ensured that less developed countries and poor producers are not excluded from growing trade in organic products?

- Costs should be covered for organic service providers such as research, extension and promotion.

- It is essential to have supportive public policy, including framework models focused on local and regional markets that recognize Participatory Guarantee Systems (e.g. Brazil) and support organic conversion. To this end, there is need to lobby multilateral financial agencies such as the World Bank.
- Self-organization is essential to promote development and strengthen appropriate research. There is need to attract more funds for agro-ecological research to demonstrate enhanced performance (i.e. to produce food without synthetic fertilizers).
- There is need to support inexpensive verification systems, such as small grower group certification and PGS for trade. PGS systems include both control and community empowerment, something that third party certification cannot provide. The CSA model promotes farmers' market, social responsibility and contract farming; countries with such experiences can help others.
- Government procurement should be encouraged to include organic procurement ratios; for instance Brazil's target for schools' meals to be 30% organic.

KEYNOTE ADDRESS

Kathleen Merrigan, Deputy Secretary of the US Department of Agriculture, provided an overview of the Organic Foods Production Act of 1990 and the National Organic Program regulation that followed from it. Noting that US consumers also demand products that cannot be supplied from domestic sources, she outlined the mechanisms enabling imports to USA, including equivalence agreements. The USA-Canada and imminent USA-EU equivalence agreements and also current discussions with Korea, Mexico and Japan have shown that standards and regulations around the world are fairly compatible, but those differences that do exist can create complicated—and often costly—barriers to trade. The general compatibility of standards paves the way for more harmonized organic standards. In the meantime, equivalence agreements can provide cost-savings by recognizing the commonality of organic principles and not getting caught-up with minor differences between the standards. Equivalency also stimulates trade partnerships and creates job opportunities (this was noticed where almost half of US organic operations surveyed in 2011 planned to create new jobs). GOMA tools are important to trade. Trade agreements have many benefits. They support organic agriculture values on a global scale by creating larger markets for farmers and companies that practice sustainability. In turn, this provides organic consumers with a wider array of organic offerings that embody these values. They create market opportunities for all organic operations, especially for small farms and companies. Trade partnerships eliminate significant barriers to trade, such as a second set of certification fees and inspections and the corresponding paperwork.

The challenges of equivalence lie not just in the standards, but also in the ability to provide competent oversight. Government organic programs must ensure that organic farmers and handlers are meeting organic standards, and have robust compliance and enforcement processes to investigate and act upon operations and certifying agents that violate organic standards. They must also retain open lines of communication with their trade partners – these relationships need to be mutually beneficial and transparent to allow both parties to work through issues as they arise.

USDA's strategic plan for organic agriculture foresees a growth of 20% by 2015. Import and export codes specifically for organic products will be implemented as of 2012. The integrity of the organic label is fundamental to the growth of this industry. If consumers do not have confidence in the label, industry growth will stall. It is imperative that the organic regulatory system meets their expectations and protects the organic label from farm to market.

CONFERENCE CONCLUSIONS

REMARKS BY CONFERENCE RAPPORTEURS

Mr. Matthew Holmes from the Canadian Organic Trade Association noted that although currently the international organic market is characterized by complex standards and barriers to trade, the conference has highlighted innovation and progress, e.g. bilateral equivalence agreements among some major trade partners, the regional approaches, and potential pathways for multilateral equivalence. Equivalence is not only about technical requirements he concluded, but also about establishing good mechanisms for communication among the world's trading partners. This has been a hallmark of GOMA.

Ms. Laura Montenegro from Argencert called attention to several compelling themes raised by the conference. These include that:

- the key to successful equivalence negotiations is to communicate on common objectives;
- organic agriculture is an innovative and pioneering system which delivers ecosystem services, and this should be respected and supported;
- although the sustainability ideal cannot be perfectly implemented in any of the systems, it is very important to communicate this ideal to the world community, especially to the youth.

STATEMENT OF CONFERENCE CONCLUSIONS

The Chair concluded the Conference by reading the following summary and conclusions as reviewed and agreed upon by participants:

114 participants from government agricultural and trade authorities, farmers, policymakers, civil society organizations, academia, control bodies, and private sector businesses from more than 30 countries, congregated in Nuremberg, Germany from 13-14 February 2012 for a high-level international conference entitled *Let the Good Products Flow!: Global Organic Market Access in 2012 and Beyond*.

Organic agriculture offers inclusive sustainable development. Organic agriculture regenerates soil and ecosystems, produces resilient and healthy food systems, takes account of true production costs and provides income opportunities for more than two million farmers and quality products to consumers worldwide. Trade in organic products offers income opportunities in particular for developing countries, while organic markets in importing countries benefit from a wider and diverse supply of high quality products in a greener economy.

Organic guarantee systems provide assurance, but can also be a burden. Today, 110 countries are regulating the organic sector, and there are 120 private sector standards and 550 certification bodies. Organic guarantee systems provide an important assurance to buyers and defense against fraudulent practices. However, different, complex and changing requirements among systems, in particular for international trade, are costly to all stakeholders in all countries, putting a brake on the growth of organic agriculture. Compliance has become a disproportionately bigger challenge for smallholder farmers in developing countries.

Common objectives show the way ahead. Organic agriculture is based on similar principles all over the world, even if detailed requirements differ due to ecological, cultural and other site-specific conditions. These minor differences in organic standards should not become barriers to trade. Equivalency and harmonization of organic standards and certification performance

requirements offer a solution to decrease costs for farmers, certifiers, consumers, traders and governments alike, and thus, ensure the long-term viability of organic trade. With the leadership of FAO, IFOAM and UNCTAD, innovative tools based on international norms and common objectives have been developed and parties have made substantial progress on bilateral (e.g. equivalence agreements), regional (e.g. regional standards) and multilateral solutions (e.g. international recognition of organic guarantee systems).

For further development of sustainable organic supply systems, it is important that:

- Governments continue to dialogue and seek opportunities for equivalence, harmonization and cooperation with other governments to facilitate trade and increase cost-savings to all, from smallholders to administrations;
- Public and private sector stakeholders seek and embrace opportunities for partnership, including government dialogue with producers and traders, to further harmonize organic guarantee systems and facilitate market access;
- Common objectives are earnestly taken into account in further development of multi-lateral solutions based on equivalence and harmonization;
- Regional organic standards are recognized as a means to advance common requirements, based on regional specificities, encouraging the growth of organic production, local markets and trade. To this effect, the Asia Working Group of the GOMA project approved the Asian Regional Organic Standards (AROS) on 12 February 2012, following earlier regional standards established in Europe, East Africa and the Pacific;
- Options are explored for the organic movement to better communicate and reflect the full range of sustainability achievements of the sector. Recognized emerging issues should be monitored and widely communicated, but may or may not form part of the certification system;
- The implementation of organic guarantee systems is complemented by policies that encourage public procurement of organic goods, empower producers (e.g. research, capacity-building, financing), internalize externalities and build organic entrepreneurs. There is also need to support inexpensive verification systems, such as grower group certification and participatory guarantee systems (PGS) for trade.

ANNEX 1: CONFERENCE AGENDA

GOMA CONFERENCE PROGRAM

DAY 1 - MONDAY, FEBRUARY 13

08.00-09.00 Registration Check-in

CONFERENCE OPENING (MODERATOR: MR. ULRICH HOFFMANN)

09.00-09.30 Welcome Addresses:

Mr. Andre Leu, President, IFOAM

Ms. Nadia Scialabba (on behalf of Mr. Alexander Müller, Assistant Director-General), FAO

Mr. Guillermo Valles, Director, International Trade Division, UNCTAD

09.30-09.50 **Keynote Speech:**

Mr. Harsha V. Singh, Deputy Director-General WTO

09.50-10.10 **Keynote Speech:**

Mr. Franz Fischler, President, Eco Social Forum Europe

10.10- 10.40 **Coffee/Tea Break**

10 YEARS BACK AND 10 YEARS FORWARD (MODERATOR: MS. SELMA DOYRAN)

10.40-12.00 **Past (2002) - The Starting Point and the Issues**

Mr. David Crucefix, IOAS

Present (2012) - What ITF/GOMA Have Achieved and Current Situation of Market Access

Ms. Nadia Scialabba, FAO

Future (2022): What Will Happen? What Should Happen?

Mr. Gunnar Rundgren, Publisher of *The Organic Standard*

Discussion

12.00- 13.00 **Lunch**

DEVELOPING COUNTRIES AND THE WORLD ORGANIC MARKET (MODERATOR: MS. NADIA SCIALABBA)

13.00-15.00 *"Organic Agriculture: a Good Option for Least Developed Countries"* (Video)

REGIONAL COOPERATION

Development of the East African Organic Products Standards,

Mr. David Eboku, Uganda Bureau of Standards

Development of an Organic Guarantee System for the Pacific,

Ms. Karen Mapusua, Pacific Organic and Ethical Trade Community, Fiji

Government Cooperation in Central America,

Ms. Sophia Twarog, UNCTAD

Development of Asian Regional Organic Standard,

Ms. Lara Vivas, Bureau of Agriculture and Fisheries Product Standards, Philippines

Panel: Where are Developing Countries and Smallholders in the Organic Trade Picture? Can Regional Cooperation Improve Their Market Access? How Can National and Regional Markets in Developing Countries be Developed?

Panelists: Mr. Javier Hurtado, Irupana Andean Organic Food S.A.; Mr. Vitoon Panyakul, GreenNet; Mr. Moses Muwanga, NOGAMU

Discussion

15.00-15.30 Coffee/Tea Break

ENHANCING COOPERATION (MODERATOR: MR. ANDRE LEU)

15.30-17.10 Public-Private Cooperation to Facilitate Multilateral Equivalence

Mr. Markus Arbenz, IFOAM

Systems of Regional Cooperation

Mr. Ong Kung Wai, GOMA Steering Committee

How Global Organic Market Access Can be Accomplished

Ms. Sophia Twarog, UNCTAD

Discussion

17.10-17.30 Presentation of Draft Conference Conclusions

18.00-19.30 Conference Reception

The Conference Reception is co-sponsored by GOMA and BioFach.

DAY 2 - TUESDAY, FEBRUARY 14

09.00-09.30 Opening of Conference Second Day

Mr. Ulrich Hoffmann, UNCTAD

EMERGING ISSUES (MODERATOR: MR. GERALD HERRMANN)

09.30-10.30 Expanding the Scope of “Organic” (e.g. to fair, carbon neutral, health), is That a Good Idea and How Should it Play Out?

Mr. Bavo van den Idsert, Dutch Association of Organic Producers and Traders

Ways (Other Than Standards and Certification) of Fulfilling the Goals of Organic Agriculture

Ms. Susanne Padel, Organic Research Centre Elm Farm UK

Keeping Up With Ever Increasing Requirements: Can We? Should We?

Mr. Thilak Kariyawasam, Lanka Organic Agriculture Movement, Sri Lanka

Discussion

10.30-11.00 Coffee/Tea Break

ENHANCING MARKET ACCESS (MODERATOR: MR. ONG KUNG WAI)

11.00-11.50 Panel: How Emerging Organic Powers are Shaping Their Global Roles

Panelists: Mr. Tang Jian, OFDC; Ms. P.V.S.M. Gouri, APEDA; Mr. Rogério Dias, Ministry of Agriculture, Brazil

What do you do to promote the development of your domestic market? How do you facilitate import access and avoid creating new barriers? How would you like to see a global system for organic market access?

Discussion

11.50-12.50 Panel: How Dominant Markets Work Towards Mutual Recognition

Panelists: Mr. Jean-Francois Hulot, European Commission; Mr. Miles McEvoy, USDA; Mr. Michel Saumur, Canadian Food Inspection Agency

Progress with and experiences from mutual recognition agreements? Other tools to enhance market access, in particular for developing countries? How to ensure that third countries are not disadvantaged?

12.50-13.00 Introduction to Discussion Groups

Mr. Gunnar Rundgren

13.00- 14.00 Lunch

DISCUSSION GROUPS

14.00-15.00 Four groups will make recommendations on one topic each:

1. What key needs and concerns are yet to be solved by existing harmonization and equivalence initiatives?
2. How shall the organic sector, and organic regulations respond to increased attention to emerging society, market or consumer expectations and its own principles of broader sustainability?
3. What can private sector actors do to facilitate increased equivalence?
4. How to ensure that less developed countries and poor producers are not excluded from growing trade in organic products?

15.00-15.30 Reports from Discussion Groups

15.30-16.00 Coffee/Tea Break

CONFERENCE CONCLUSION (MODERATOR: MS. SOPHIA TWAROG)

16.00-16.20 Keynote Speech: Ms. Kathleen Merrigan, Deputy Secretary USDA

16.20-16.50 Reflections on Conference Outcomes

Rapporteurs' Reflections

Mr. Matthew Holmes, Canada Organic Trade Association and Ms. Laura Montenegro, Argencert

16.50-17.00 Statement of Conference Conclusions and Closing

ANNEX 2: LIST OF PARTICIPANTS

Country	Name	Organization
Argentina	Laura Montenegro	Agencert
Argentina	Sofia Landa	OIA - Internacional
Austria	Claudia Hofstadler	University of Natural Resources and Applied Life Sciences, Vienna
Belgium	Jean Franois Hulot	European Commission
Belgium	John Cox	COLEACP - PIP
Bhutan	Kesang Tshomo	Department of Agriculture
Bolivia	Javier Hurtado Mercado	Irupana Andean Organic Food S.A.
Bolivia	Karlen Reeve	Irupana Andean Organic Food S.A.
Bosnia and Herzegovina	Mersida Musabegovic	Organska Kontrola
Bosnia and Herzegovina	Maida Hadziomerovic	Farma
Brazil	Rogério Dias	Ministry of Agriculture
Brazil	Eve Fouilleux	CEPEL
Bulgaria	Rumyana Todorova	Bulgarian Herb Association
Cambodia	Hironobu Kurata	COAA
Canada	Matthew Holmes	Canada Organic Trade Association
Canada	Michel Saumur	Canadian Food Inspection Agency
Canada	Ron Newport	ChinaCan Organics
China	Jian Tang	Organic Food Development Center
China	Jane Tsao	Organic Trade Union China
China	William Yao	Organic Trade Union China
Colombia	Shirley Gomez	Proexport Colombia
Costa Rica	Gabriella Soto	International Federation of Organic Agriculture Movements (IFOAM)
Fiji	Karen Mapasua	Pacific Organic and Ethical Trade Community
France	Eve Fouilleux	CNRS / CIRAD
France	Michel Reynaud	Ecocert
Germany	Anne-Charlotte Orefice	Artebio GmbH&Co.KG
Germany	Alexandra Thöring	Artebio GmbH&Co.KG
Germany	Frank Gerriets	Organic Services GmbH
Germany	Gerald A. Herrmann	Organic Services GmbH
Germany	Mildred Steidle	Organic Services GmbH
Germany	Henning Knipschild	Federal Office for Agriculture and Food (BLE) Germany
Germany	Ulrich Steiner	Federal Office for Agriculture and Food (BLE) Germany
Germany	Ulrike Kreysa	Federal Office for Agriculture and Food (BLE) Germany

Germany	Markus Abenz	International Federation of Organic Agriculture Movements (IFOAM)
Germany	Joelle Katto	International Federation of Organic Agriculture Movements (IFOAM)
Germany	Peter Grosch	BCS EKO-Garantie GmbH
Germany	Beate Verena	Individual
Ghana	Nelson Agyemang	Coalition of Farmers Ghana
Great Britain	Jan Deane	International Organic Accreditation Service
Great Britain	Susanne Padel	Organic Research Center
India	Manoj Menon	International Competence Center for Organic Agriculture (ICCOA)
India	PVSM Gouri	APEDA
Indonesia	Sri Sulasmi	Ministry of Agriculture
Italy	Roberto Setti	CCPB SRL
Italy	Steven Schonberger	Regional Economist
Italy	Michele Maccari	Ethical and Environment Certification Institute (ICEA)
Italy	Juan Pablo Sciurano	Ethical and Environment Certification Institute (ICEA)
Japan	Toshi Takahashi	Japan Organic and Natural Foods Association
Laos	Khamtanh Thadavong	Department of Agriculture
Malaysia	Mustafha Kamal Bin Baharuddin	Department of Agriculture
Malaysia	Norma Othman	Department of Agriculture
Malaysia	Selina Gan	Malaysia Organic Alliance
Nepal	Basanta Rana Bhat	Organic Certification Nepal (OCN)
New Zealand	Craig Deadman	Fonterra Cooperative Group
Norway/Zambia	Maiken Sele	Oikos - Organic Norway
Peru	Roberto Ugas	International Federation of Organic Agriculture Movements (IFOAM)
Philippines	Lara Vivas	Bureau of Agriculture and Fisheries Product Standards, Department of Agriculture, Philippines (BAFPS)
Poland	Urszula Soltysiak	Agro Boitest
Rwanda	Vincent Nzamwita	Rwanda General Supply
Saudi Arabia	Marco Hartmann	GIZ
Saudi Arabia	Saad Khalil	Ministry of Agriculture
Spain	Nuria Alonso	Grolink
Sweden	Eva Mattsson	Grolink
Sweden	Magdalena Presto	The Federation of Swedish Farmers - LRF
Switzerland	Beate Huber	Research Institute of Organic Agriculture (FiBL)
Switzerland	Gian Linard Nicolay	Research Institute of Organic Agriculture (FiBL)

Switzerland	Vladimir Masar	Iporex SA
Thailand	Chayaporn Wattanasiri	Organic Agriculture Certification Thailand (ACT)
Thailand	Utai Pisone	National Bureau of Agriculture and Commodity Food Standards Thailand
Thailand	Vinaroj Supsongsuk	National Bureau of Agriculture and Commodity Food Standards Thailand
Thailand	Voranuch Kitsukchit	National Bureau of Agriculture and Commodity Food Standards Thailand
Thailand	Wibulwan Wannamolee	National Bureau of Agriculture and Commodity Food Standards Thailand
Thailand	Vitoon Panyakul	Certification Alliance
The Netherlands	Bavo van den Idsert	Bionext
Tunisia	Samia Maomer	Ministry of Agriculture Tunisia
Uganda	Charles Walaga	UgoCert
Uganda	David Eboku	Uganda Bureau of Standards
Uganda	Moses Muwanga	National Organic Movement of Uganda (NOGAMU)
USA	David Crucefix	International Organic Accreditation Service
USA	Jim Pierce	Oregon Tilth Certified Organic
USA	Miles McEvoy	US Department of Agriculture
USA	Kelly Strzelecki	US Department of Agriculture
USA	Laura Batcha	Organic Trade Association
USA	Thomas B. Harding	AgriSystems International
USA	Jake Lewin	California Certified Organic Farmers (CCOF)
USA	Marty Mesh	Quality Certification Services (QCS)
Vietnam	Le Thanh Hua	Ministry of Agriculture and Rural Development

Keynote speaker

	Franz Fischler	EcoSocial Forum
	Guillermo Valles	UNCTAD
	Harsha Singh	WTO
	Kathleen Merrigan	USDA

Steering Committee/Staff/Consultant

	Nadia Scialabba	FAO
	Selma Doyran	FAO
	Sophia Twarog	UNCTAD
	Ulrich Hoffmann	UNCTAD
	Ande Leu	IFOAM

	Ong Kung Wai	IFOAM
	Diane Bowen	IFOAM
	Denise Godinho	IFOAM
	Zhenye Zhang	IFOAM
	Martin Pairet	IFOAM
	Ilaria Barbonetti	IFOAM
	Gunnar Rundgren	Grolink
	Rebekah Jorgensen	Webster University Geneva

GOMA BRIEF

THE NEW REGIONALISM OF ORGANIC STANDARDS

by Nadia Scialabba

The increasing share of organic agriculture production and trade has globalized the sector's connectivity across stakeholders and countries. Cooperation, initially within the realm of isolated organic communities as small as families, is now extended to regions as big as Asia. This is due to, on one hand, a general increase of regional integration processes and, on another hand, the growth of the organic sector in developing countries, including intra-regional and inter-regional trade.

The growth of the organic sector is essentially consumer-driven and the first organic standards and conformity assessment procedures were pioneered by communities in the private sector. Increasing organic trade opportunities has led governments to regulate the sector, with a view to protect consumers and/or access international markets. The multiplication of organic standards, and related guarantee systems, today results in compliance costs that have proven to be too complex and costly, hindering the development of organic production and exchange, domestically and internationally. Trade (both intra-regional and inter-regional) and common national circumstances have brought public and private actors together around the table to formulate regional organic standards, based on regional commonalities. It is very encouraging to see that even in countries where national organic regulations have been promulgated by the public sector alone, these same countries are currently open to the participation of private actors.

Today, regional organic standards are being forged in: the Pacific island countries and territories; East Africa; Central America and Dominican Republic; and South/South-East Asia. Stakeholders in other regions, e.g. the Andean and Southern African countries, have expressed to GOMA their intent to engage into regional processes to regulate their organic sector.

Regional organic standards that are strongly based on public-private partnerships are increasingly gathering political support as a foundation for multilateral agreements. Their development processes are paving the way towards a new regionalism for organic agriculture.

This trend seems to have been triggered by the difficulty experienced by many countries to be on the "third country list" of the EC for entering the European market. In response, regional or sub-regional groups of concerned organic stakeholders are creating a critical mass of trading partners. In addition to developing regional organic standards these groups are collectively addressing other trade hurdles by sharing the logistic, administrative and financial burden - from the capacity to fill an organic container (e.g. Pacific islands), to sharing/pooling certification services (e.g. East Africa) and capitalizing on existing standards without engaging into national regulations (e.g. small Asian countries). The regionalized countries draw on economies of scale for improving their capabilities to manage the organic sector. This regional dimension can provide effective and efficient links between the global and the national levels; international organic trade fuels domestic organic markets and regional standards buffer against international regulations and related requirements. Such regional integration and cooperation is crucial to improving the dynamics of organic trade governance.

The GOMA project has been assisting this process by infusing regional organic standards with international norms and values, while building on specific needs and circumstances. The emerging regional governance of the organic sector is bound to benefit global organic trade, starting with intra-regional trade in developing countries. The collective engagement of public and private stakeholders within regions, and the coherent alignment of organic standards and regulations through harmonization and equivalence, will eventually facilitate regional cohesiveness, as well as the international connectivity of the organic sector.

PRESS RELEASES



Global Organic Market Access a project of FAO, IFOAM and UNCTAD

GOMA MEDIA RELEASE – 1 FEBRUARY 2012

LET THE GOOD PRODUCTS FLOW! GLOBAL ORGANIC MARKET ACCESS IN 2012 AND BEYOND

in partnership with  **BioFach**

13-14 February 2012

**Nuremberg Conference Center NCC Ost, Room Shanghai
Nuremberg, Germany**

INTERNATIONAL LEADERS TO FEATURE AT THE GLOBAL ORGANIC MARKET ACCESS CONFERENCE

- **Mr Harsha V. Singh, Deputy Director-General, World Trade Organization**
- **Ms Kathleen Merrigan, Deputy Secretary, USDA, and**
- **Mr Alexander Mueller, Assistant Director-General, FAO**

are among the high level speakers at this major international conference on organic trade.

World leading experts gather to discuss practical means to avoid trade barriers in organic agriculture. This is the first time so many of the world's recognized authorities on agricultural trade participate in an event featuring organic trade.

"We are extremely pleased with the response, as this confirms the growing importance of the \$60 billion organic trade sector," said Andre Leu, President of IFOAM, the world umbrella body for the organic sector.

Let the good products flow! In the face of volatile food prices and economic crises, trade of organic commodities has been steadily growing, offering income opportunities to nearly two million farmers and quality products to consumers worldwide. However, selling and buying organic ingredients and/or products can be a challenge, as today 110 countries are regulating the sector, and compliance with organic standards is assessed by 550 certification bodies of different sorts. While organic guarantee systems provide an important defense against frau-

dule practices, different market requirements are complex and costly to farmers, certifiers and traders. Equivalency and harmonization of organic standards offer an optimal solution to decrease financial and administrative costs and thus, ensure the long-term viability of organic trade.

The Global Organic Market Access (GOMA) project is a public-private partnership among two UN organizations, FAO and UNCTAD, and IFOAM. *“The role of GOMA is to facilitate access to organic markets by promoting the equivalence and harmonization of standards and regulatory systems. This is particularly important to developing countries so that their farmers, especially smallholders, can access high-value markets in developed countries as well as in their own regions,”* stated Ms Sophia Twarog of UNCTAD.

Emerging regionalism of organic standards. The GOMA project has been assisting stakeholders with regulatory conditions conducive to the development of international and regional organic markets, including Pacific islands, East African, Central American, and South/South-East Asian countries. The Andean countries and Southern African countries have expressed to GOMA their intent to engage into regional processes to regulate their organic sector.

“This new regionalism,” explains Ms Nadia Scialabba of FAO, *“stems from a general increase of regional integration processes, as well as the growth of domestic organic markets in developing countries and intra-regional trade. Regional or sub-regional groupings of concerned organic stakeholders have evolved in response to trans-boundary interests by creating a critical mass of trading partners. Collectively addressing trade hurdles entails sharing the logistic, administrative and financial burden. This regional dimension can provide effective and efficient links between the global and the national levels; international organic trade fuels domestic organic markets and regional standards buffer against international regulations and related requirements. Such regional integration and cooperation is crucial to enhancing the dynamics of organic trade governance.”*

Enhancing confidence: The GOMA Conference, held just before Biofach Nuremberg, the world’s leading organic trade exhibition, features different countries’ experiences in exporting and importing organic commodities, tools to enhance markets access, ways to ensure that third countries are not disadvantaged and other critical trade issues. *“The tremendous progress achieved in international negotiations concerning organic regulations is the result of collaboration and partnerships at all levels,”* stresses Mr Alexander Mueller of FAO. Organic regulatory measures should aim primarily at enhancing confidence in the good functioning of the market. One way this could be achieved is by globally agreeing on common objectives and letting individual countries and operators chose their own path to reach those objectives. This is what COROS is about. COROS, or ‘Common Objectives and Requirements for Organic Standards’, pioneered by GOMA, is now endorsed by IFOAM on behalf of the global organic community. Hopefully, the recognition and use of COROS by all governments as the international basis for equivalence of organic standards will foster access to organic markets while enhancing confidence in the organic claim and safeguarding diversity.

For Interviews: Diane Bowen: land (US): +1 414 3525789 mobile: +44 78896 14510
Sophia Twarog: land (CH): +41 22 9175086 mobile: +41 78 708
Andre Leu: (AU) mobile: +61 42 8459870

www.goma-organic.org

UNCTAD PRE-CONFERENCE PRESS RELEASE

UNCTAD/PRESS/PR/2012/006

Original: English

CONFERENCE TO HIGHLIGHT 10 YEARS OF GROWING MARKET ACCESS FOR ORGANIC AGRICULTURE

Joint effort by UNCTAD, FAO, IFOAM has increased opportunities for developing-country farmers

Geneva, 13 February 2012 – Ten years of a public-private effort to expand the range of places where developing-country farmers can sell their organic products will be reviewed at a 13–14 February conference in Nuremberg, Germany.

High-level officials and experts, including Guillermo Valles, Director of the UNCTAD Division on International Trade in Goods and Services, and Commodities, will discuss progress made and practical means for further surmounting technical barriers to the marketing of organic products – a sector that already accounts for sales of \$60 billion annually. Among other scheduled speakers are Harsha Singh, Deputy Director-General of the World Trade Organization; Alexander Mueller, Assistant Director-General of the Food and Agriculture Organization of the United Nations (FAO); and Kathleen Merrigan, Deputy Secretary of the Department of Agriculture of the United States of America.

The conference is co-sponsored by BioFach, the world's largest organic trade show, and will take place just before the 2012 BioFach is held in Nuremberg.

A fruitful partnership

A partnership to promote global organic market access was established at a February 2002 conference of UNCTAD, FAO and the International Federation of Organic Agriculture Movements (IFOAM), the international umbrella organization for the organic sector. From 2003 to 2008, the three organizations convened the International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF) – a platform for dialogue between public and private institutions involved in organic trade and regulation. The Task Force conducted in-depth analyses and developed recommendations and practical tools to ease the international flow of organic goods (see [UNCTAD/PRESS/IN/2008/019](#)). The partners' collaboration to further develop and promote uptake of ITF outcomes has helped to change mindsets and the landscape of international organic trade. Examples include:

- The European Union (EU) references the Task Force's tools and incorporates the principle of equivalency into its new system for approving organic imports. That makes it more likely that organic produce from developing countries will be accepted for import into the EU. And it makes it easier for organic production to be tailored to local agro-ecological and socio-economic conditions;
- IFOAM, the international organic private-sector standard-setter, now focuses on building a family of standards that meet key common objectives of organic systems, but with space for local adaptation;

- The United States and the EU have each signed organic equivalency agreements with Canada and will reportedly announce another agreement soon. Together the three markets account for 95 per cent of global certified organic sales, sourced worldwide. The United States-Canada agreement particularly benefits developing countries because it includes acceptance of organic goods from third parties – that is, if such imported produce is recognized as organic by one country it can be sold as organic in both;
- There is a major trend towards developing and applying regional organic standards. Such efforts are under way in East Africa, the Pacific, Central America, and South and South-East Asia. Farmers meeting regional standards are able to sell their produce in other countries in the region. Furthermore, regional standards stand a higher chance of being recognized as equivalent by other export markets.

Organic agriculture

Of an estimated two million certified organic farmers worldwide, some 80 per cent are in developing countries: 34 per cent in Africa, 29 per cent in Asia and 17 per cent in Latin America.

In addition, developing countries account for 73 per cent of land certified for organic wild collection and beekeeping. Countless other developing country farmers practise organic agriculture without being formally certified.

Organic agriculture relies on healthy soils and active agro-ecological management rather than on the use of inputs with adverse effects such as artificial pesticides and fertilizers. It combines tradition, innovation and science. Among the benefits are higher incomes, more stable and nutritious diets, higher soil fertility, reduced soil erosion, better resilience to climate extremes such as drought and heavy rainfall, greater resource efficiency, lower carbon footprints, less dependence on purchased external inputs and reduced rural-urban migration.

Some products from organic production are certified, a means of assuring buyers that the product has been produced in accordance with organic production standards. Certified organic products can fetch higher prices, typically 15–150 per cent more than conventional products, and be traded internationally in robust markets. Minor differences in organic standards and certification requirements can hinder this trade. Harmonization and equivalence – that is, mutual recognition of different standards and conformity assessment systems – are a means of overcoming these differences so that markets for organic products continue to grow.

Contacts: UNCTAD Communications and Information Unit, +41 22 917 5828, +41 79 502 43 11, unctadpress@unctad.org, <http://www.unctad.org/press>

UNCTAD POST-CONFERENCE PRESS RELEASE

UNCTAD/PRESS/PR/2012/007

Original: English

EASED UNITED STATES-EUROPEAN UNION FLOW OF ORGANIC PRODUCTS APPROVED; MEETING ALSO SEES ADOPTION OF ASIAN REGIONAL ORGANIC STANDARD**Tenth anniversary conference of Global Organic Market Access group records two achievements that should help developing-country farmers**

Nuremberg, 17 February 2012 – The European Union (EU) and the United States signed a landmark “organic-equivalency” agreement here following a conference on opening markets to organic products. And an Asian group of government officials and representatives of organic farmers and marketers adopted an Asian Regional Organic Standard that should greatly expand trade in such food in that part of the world.

These steps, accomplished just before and after the tenth anniversary meeting on Global Organic Market Access (GOMA), should help farmers in poor countries participate more fully in the organic food sector, which rings up worldwide sales of \$60 billion annually.

The GOMA partnership – originally called the International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF) – was established at a February 2002 conference of UNCTAD, the Food and Agriculture Organization of the United Nations and the International Federation of Organic Agriculture Movements, the international umbrella organization for the organic sector. The collaborative effort has resulted in support for a number of steps towards easing the flow of organic produce across borders, including systems for ensuring that varying rules for what qualifies as “organic” can be accepted as equivalent for purposes of trade and export; and the establishment of regional organic standards such as that just adopted for Asia.

EU–United States organic equivalency agreement

The EU–United States agreement, signed 15 February, covers only products exported from and certified in the United States or EU –for example, organic noodle soup exported from Thailand and accepted in the EU does not automatically qualify for direct export from Thailand and sale as organic in the United States.

Yet the pact still should help developing-country organic farmers, since much of their produce sent to the EU or United States is in the form of ingredients or bulk organic goods. Once packaged or processed either in the European Union or the United States, such goods do qualify for automatic acceptance in the partner market. Under this arrangement, for example, coffee from Ethiopia certified as organic under EU regulations could be sent to a trade partner in Europe and packaged for sale in both markets. It will take some time for organic traders to adjust their supply lines to the new framework. While an equivalency agreement providing direct market access to both the United States and the EU without the need for intermediaries would be preferable for developing countries, it seems clear that this agreement will already serve to boost developing-country organic sales. In addition, the EU and United States are enormous mar-

kets. They now account for some 92 per cent of the value of worldwide certified organic sales.

Asian Regional Organic Standard

The Asian Regional Organic Standard (AROS) was approved on 12 February by GOMA's Asia Working Group, which consists of government officials and farmers and other representatives of the region's private sector in organic agriculture. The standard, developed over two years, covers organic crop production, processing and labeling. AROS is equivalent to the Common Objectives and Requirements for Organic Standards, an international tool established through GOMA to ease organic trade. The working group consists of public and/or private-sector representatives from Bhutan, the Lao People's Democratic Republic, Thailand, Viet Nam, Malaysia, India, Indonesia, China, the Republic of Korea, Japan, Hong Kong (China), the Philippines, Cambodia, Nepal and Sri Lanka.

The next step is for the Asian Regional Organic Standard to be recognized formally by governments in the region. The working group issued a declaration on 12 February calling for such recognition and recommending that AROS be adopted as the common standard for the region. It also called for the Association of Southeast Asian Nations (ASEAN) and the South Asian Association for Regional Cooperation to accept AROS as a regionally harmonized organic standard.

Working group members have already initiated the ASEAN adoption process. AROS is on the agenda of the next Task Force on ASEAN Standards on Horticulture Produce meeting, set for 24–26 April in Hanoi. From there, it will go to the ASEAN Working Group on Crops and then to the ASEAN Senior Officers Meeting later this year.

The role of organic agriculture in developing countries

Of an estimated 2 million certified organic farmers worldwide, some 80 per cent are in developing countries: 34 per cent in Africa, 29 per cent in Asia, and 17 per cent in Latin America.

In addition, developing countries account for 73 per cent of land certified for organic wild collection and beekeeping. Countless other developing country farmers practice organic agriculture without being formally certified.

Organic agriculture relies on healthy soils and active agro-ecological management rather than on the use of inputs with adverse effects such as artificial pesticides and fertilizers. It combines tradition, innovation and science. Among the benefits are higher incomes, more stable and nutritious diets, higher soil fertility, reduced soil erosion, better resilience to climate extremes such as drought and heavy rainfall, greater resource efficiency, lower carbon footprints, less dependence on purchased external inputs and reduced rural-urban migration.

Organic production that is certified assures buyers that the product has been produced in accordance with organic standards. Certified organic products can fetch higher prices for farmers in developing countries – typically they earn from 15 to 150 per cent more than conventional products. Increasingly, they can be traded internationally in robust markets. Minor differences in organic standards and certification requirements can hinder this trade. Harmonization and equivalence – that is, mutual recognition of different standards and conformity assessment systems – are a means of overcoming these differences so that markets for organic products continue to grow.

Contacts: UNCTAD Communications and Information Unit, +41 22 917 5828, +41 79 502 43 11, unctadpress@unctad.org, <http://www.unctad.org/press>

SPEAKER PRESENTATIONS

CONFERENCE OPENING

WELCOME ADDRESS TRADE IS THE BETTER THAN AID

MR. ANDRE LEU

PRESIDENT, IFOAM

SPEAKER'S BIO

Andre Leu is the President of the International Federation of Organic Agricultural Movements (IFOAM), the world umbrella body for the organic sector.

Andre has over 20 years of experience teaching at tertiary level and holds university degrees in Communications and Adult Education.

He conducts workshops on organic production in Australia and other countries as well as teaching horticulture and environmental subjects.

Andre has 40 years of experience in all areas of organic agriculture from growing, pest control, weed management, marketing, post harvest, transport, grower organisations, developing new crops and education in Australia and in many other countries.

He has an extensive knowledge of farming and environmental systems across Asia, Europe, the Americas, and Africa from over 35 years of visiting and working these countries.

He has written and published extensively in magazines, newspapers, journals, conference proceedings, newsletters, websites and other media on many areas of organic agriculture including climate change, the environment and the health benefits organic agronomy.

Andre and his wife own an organic tropical fruit orchard in Daintree, Queensland that supplies quality controlled fruit to a range of markets from local to international.

PRESENTATION

Distinguished guests and colleagues,

On behalf of IFOAM, the world umbrella body for organic whole organic sector, it is a great honor to be here at the opening of GOMA Conference

The organic sector is the true good news sector in these times of gloomy economic news.

The growth in the markets for organic product sales continues to increase and defy the global market slowdown in many countries.

The world has around one billion people who are undernourished. The majority of these people are smallholder farmers. The most critical issue for hundreds of millions of smallholder farmers is the need to feed their families. They need food security and this is done by Putting Food on the Table First.

The United Nations Food and Agriculture organization found that 80% of the developing world's food is produced on about half a billion small farms. Research by the ETC Group shows



that smallholder production currently produces 70% of the world's food. Given that the majority of the world's hungry are smallholders or landless farm laborers, the only logical way to feed the world is to grow it locally by the people who need it and by increasing the production of the smallholders who produce vast majority of the world's food.

Organic agriculture has a proven track record of improving yields as well as delivering a range of social and environmental benefits, particularly with small holders in the developing world.

The majority of the world's farmers are traditional farmers who are largely organic by default. Significant increases in yields can be achieved by teaching these farmers to add good organic practices to their traditional methods such as:

- Better soil nutrition;
- Improved pest and disease control;
- Water use efficiency;
- Better weed control methods;
- Ecological intensification.

A report by two UN agencies, UNCTAD and UNEP, found that organic agriculture significantly increases yields in Africa. '...the average crop yield was ... 116 per cent increase for all African projects...The evidence presented in this study supports the argument that organic agriculture can be more conducive to food security in Africa than most conventional production systems, and that it is more likely to be sustainable in the long term.' Supachai Panitchpakdi, Secretary general of UNCTAD and Achim Steiner, Executive Director of UNEP stated.

The report further stated 'All case studies which focused on food production in this research where data have been reported have shown increases in per hectare productivity of food crops, which challenges the popular myth that organic agriculture cannot increase agricultural productivity.'

However; there is an old wise saying "Man does not live by bread alone." These farmers, just like everyone else need more than just a subsistence diet. They need to have an income so that they can send their children to school, pay for medicines and health care, veterinary care for their livestock, clothes, a house and the usual basic necessities of life. The funds for these necessities of life must come from the trade of the produce that is surplus to their subsistence food needs. They need to have markets for their surplus produce so that they can earn the required money.

If farmers cannot sell products for profitable financial return, then it usually means that they lose money. This is because growing costs the farmer money and marketing is where they make money. Market diversity is the key. Markets need to cover all areas from short chain such as local farmer markets and local shops, direct sale to consumers such as Consumer Subscription Agriculture, regional markets with Participatory Guarantee Systems and national and international trade using 3rd party certification systems.

There is another old wise saying. 'Never put all your eggs in one basket.' This is very true with selling to markets. There are times when all markets expand and contract. Having multiple opportunities allows producers to spread their risks. If one market contracts, they can move products to another market.

Enabling growers in the developing world to access the higher value markets in the developed world is an important part of the many strategies that are needed to achieve financial returns

to one of the most impoverished sectors on the planet.

Trade is the better than aid in ensuring food and income security. It has the potential of being an effective poverty reduction strategy. The current burden of multiple organic regulations is making the trade more difficult. The higher and multiple compliance costs means that the international trade in organic products will favor the larger producers and certifiers with the economies of scale over the smaller producers who are the people who will benefit most from these markets.

The economic return for growers has to be greater than the compliance costs of certification.

Bilateral equivalence between the major organic markets is a wonderful start in the process of reducing the certification compliance costs in accessing multiple markets; however IFOAM wants to see greater reforms, especially multilateral equivalence systems. For this reason IFOAM is working with UNCTAD and FAO on the Global Organic Market Access project to make it easier for all to be involved in trade in organic products.

IFOAM encourages governments to adopt processes and rules as efficient as possible to recognize a high number of standards and regulations as equivalent, as well as a high number of equivalent CB performance requirements. Our objective is a fully “regulated but streamlined” global market access. To reach this objective, our recommendations are that governments recognize all standards and regulations approved in the IFOAM Family of Standards as equivalent and recognize as many organic accreditation programs as possible (including government programs and IOAS programs).

On behalf of IFOAM, I wish everybody a very rewarding GOMA Conference.

WELCOME ADDRESS

MR. ALEXANDER MÜLLER

ASSISTANT DIRECTOR-GENERAL, FAO

SPEAKER'S BIO

Alexander Müller has been Assistant Director-General of the Natural Resources Management and Environment Department of FAO since 2006. Prior to that (2001-2005) he served as State Secretary for the Federal Ministry of Consumer Protection, Food and Agriculture in Hesse.



He began to play a prominent role in the German government as early as 1992, when he was appointed State Secretary for the Hessian Ministry of Youth, Family and Health Affairs. In 1995, he was elected a Member of the Hessian State Parliament for the Green Party, a seat he held until 2001. During this period he was Chairman of the Caucus of the Green Party and a member of the Committee of Environmental Affairs, of the Finance Committee and of the Committee for New Media.

Mr. Müller was born in Gerolzhofen, Germany in 1955 and holds a degree in Social Sciences from the Philipps University in Marburg, Germany.

PRESENTATION

It is a pleasure for me to participate in this conference and again be part of this Forum, together with other UNCTAD and IFOAM colleagues with whom we held a High-Level Public Session on October 7, 2008. It was then that we launched the equivalence tools developed by the International Task Force on Harmonization and Equivalence in Organic Agriculture, the so-called ITF. Today, we are here to discuss the outcomes of the ITF successor project: GOMA.

GOMA is a success story in terms of advancing the agenda of trading sustainable agricultural products. In fact, all parties are willing to discuss means that prevent trade barriers in the organic sector. There are not so many areas where such an opening could be reported in the agriculture sector. In particular, developing countries in Asia and the Pacific, Central America and Africa have come together to boost their intra-regional trade of organic products. Collaboration and partnership was key to achieve this progress.

With the GOMA project coming to a close in a few months, we are celebrating 10 years of a successful public-private partnership, by looking back and forward to achievements and, most importantly, by preparing ourselves for new and emerging challenges.

Organic trade has continued its expansion, although at a slower rate, despite the recent economic and financial crises. Most importantly, developing countries have established themselves as both exporters and importers of organic products. While developed countries have so far registered the highest organic sales, domestic markets in developing countries are rapidly expanding. Organic compliance systems are in operation in virtually all countries of the world, even where the sector is limited to a few farms! At the same time, certification has become a new industry; one sees labels of all sorts on products, all claiming some aspect of sustainability. New issues such as climate change and biofuel production have turned to the organic example in developing their labels and sustainability standards. While the organic sector has much

to offer regarding the certification business, one wonders whether certification is enough to ensure the credibility of claims, as well as participatory market expansion.

I am told that we are today in the “age of enforcement” of organic standards. This is very good news. At the international level, I could anticipate that we are moving towards the “age of equivalency” of organic standards. Through GOMA, FAO seeks to assist governments in creating conducive environments, in order to ultimately facilitate smallholders’ entry to organic export markets, including low-cost inspection and certification schemes.

Through GOMA, one can see that equivalency is being discussed throughout continents and it seems that this path to “Let the Good Products Flow” is promising. Most importing countries (i.e. EU, USA) have shown interest in working with the ITF/GOMA equivalence tools, though commitment to use them remains to be seen. Indeed, the tools are still in a trial phase. Most importantly, side-by-side standard comparisons for bilateral agreements have proven not to be efficient, nor viable in the longer term. With growing markets everywhere and growing trade, business-as-usual is not an option. For this reason, I am confident that the GOMA project, and this conference in particular, will have a fast-forward effect on equivalency practices.

We have at this conference many of the world’s leaders of organic guarantee systems, as well as many operators who struggle every day to bring organic products onto the market. Some are proactive; others are carefully observing developments. I trust that the conference will showcase new opportunities and discuss challenges for collectively improving and innovating.

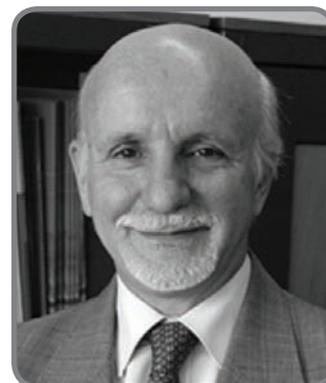
WELCOME ADDRESS

MR. GUILLERMO VALLES

DIRECTOR, DIVISION ON INTERNATIONAL TRADE IN GOODS AND SERVICES, AND COMMODITIES, UNCTAD

SPEAKER'S BIO

Guillermo Valles is the Director of UNCTAD's Division on International Trade in Goods and Services, and Commodities. He has extensive knowledge and experience in trade policy issues developed during 35 years of diplomatic service for the Government of Uruguay. He graduated from the School of Law of the Universidad de la República in Uruguay with the title of Doctor in Diplomacy. He participated in numerous bilateral and multilateral negotiations including those leading to the establishment of MERCOSUR, the conclusion of the Uruguay Round and the launching of the Mercosur-EU trade talks. From 2004 until his appointment at UNCTAD in July 2011, he served as Uruguayan Ambassador to the United Nations, World Trade Organization and other international organizations in Geneva. He also served for several years as the Chair of the Rules Negotiating Group for the Doha Round.



PRESENTATION

It is a great pleasure to welcome you to the Global Organic Market Access Conference. It is a historic moment, marking a decade of constructive and continuous cooperation among our three organizations.

UNCTAD is the focal point for development and trade in the United Nations. The theme of our upcoming quadrennial conference, UNCTAD XII in Doha in April this year, is "Development-centred globalization: Towards inclusive and sustainable growth and development." Global organic market access has a key role to play in achieving this goal. Organic agriculture offers a whole array of economic, social, environmental and cultural benefits. To fully reap these benefits, however, we must let the sector grow by letting the organic products flow.

In all sectors of trade, there is always the temptation and pressure from some domestic interest groups to protect domestic producers with trade barriers, despite the compelling overall benefits from open societies which include open trade. Worldwide as tariffs are coming down, non-tariff measures such as technical standards and conformity assessment systems play an increasingly important potentially distorting role. Harmonization and mutual recognition are clearly the way to move forward. Yet the world has not so many examples to draw upon in this field. Therefore the pioneering work you have been carrying out in the organic sector offers lessons and hope for participants in many other sectors in the world.

KEYNOTE SPEECH: ENHANCING OPPORTUNITIES AND INCOMES

MR. HARSHA V. SINGH

DEPUTY DIRECTOR-GENERAL, WORLD TRADE ORGANIZATION (WTO)

SPEAKER'S BIO

Dr. Singh currently oversees the Agriculture and Commodities Division, Trade and Environment Division and Trade in Services Division at the WTO. Prior to accepting his current post in 2005, he worked for eight years with India's telecom regulator, Trai, principally on tariffs. During this time, Dr. Singh was also a member of several High Level WTO Committees and served as Chair of several high-profile WTO dispute settlement panels. In prior roles with GATT (the General Agreement on Tariffs and Trade) and the WTO, he worked over 12 years in the Office of the Director-General, the Committee on Trade and Environment (CTE), Technical Barriers to Trade (TBT), Rules, and Trade Policy Review Divisions, and the Economic Research and Analysis Unit.

Dr. Singh completed his Master's in Economics from Delhi in 1979 and then attended the University of Oxford (U.K.) as a Rhodes Scholar to obtain his M.Phil. and Ph.D. in Economics.



PRESENTATION

This Conference emphasizes enhanced access to international markets for organic products. For effective market access, we need markets to be open, supplemented with a system of disciplines that prevent arbitrary, discriminatory or disguised forms of trade restrictions. As identified clearly by the document for this Conference, major initiatives are needed to address the proliferation of product standards, including through greater harmonization or mutual recognition agreements. These efforts must be combined with conditions that create enhanced market opportunities based on good governance and greater predictability of policy regimes implemented by all nations.

The WTO Agreement is fundamentally important for creating such enabling conditions. It does so through its disciplines which:

- reduce arbitrary policy actions and unnecessary trade restrictions, and
- promote open and predictable markets which are essential to
 - expand market opportunities,
 - encourage domestic investment and production activity, and
 - enhance overall growth opportunities and incomes.

The benefits of such a system become magnified because of the increasing number of supply or value chains that involve multiple nations, because if market restrictions are introduced in such an inter-linked system they could lead to trade disruption causing simultaneous adverse effects across several countries. This makes it imperative that we have a strong multilateral trading system, which provides a level playing field and promotes good governance. The WTO system is such a system.

THE WORLD TRADE ORGANIZATION

The WTO is the only global international organization dealing with the rules of trade between nations. It is an organization for opening trade in goods and services, including organic products. The WTO agreements, negotiated and signed by the bulk of the world's trading nations, provide the legal ground rules for international commerce. They are essentially contracts, binding governments to keep their trade policies within disciplined and agreed limits. The goal is to help producers of goods and services, exporters, and importers to smoothly conduct their business in a stable and predictable environment, while allowing governments to meet social and environmental objectives, including public health, animal and plant health. These are objectives relevant also to organic products and to the standards that would guide their production.

In general, policy makers – that is governments - meet such objectives by implementing policies in the areas of standards, regulations, technical requirements, certification requirements, and testing. These are all examples of measures that are referred within the WTO system as “non-tariff measures” or NTMs. NTMs present an important challenge to the WTO, mainly because they are less transparent than tariffs, more difficult to quantify – and sometimes misused. This can be problematic also because the effects on trade may be significant.

But non-tariff measures may not necessarily be barriers as such! They may be entirely legitimate. It is their misuse that that the multilateral trading system is geared to prevent. Thus, the starting point in the WTO Agreements is that countries may regulate for legitimate objectives. Indeed, all Members have the right to regulate to ensure, for example: safety, protection of the health of their people and animals and plants – and the environment. Nobody questions this right.

But this right needs to be disciplined – it may otherwise be tempting to go too far in the name of health, safety or environment. The rules contained in the Technical Barriers to Trade Agreement and the Sanitary and Phytosanitary Agreement are an attempt by WTO Members to strike the right balance between governments' legitimate policy objectives and the need for not creating unnecessary obstacles to trade. These agreements say, for instance, that Members should not discriminate, that they should have a relevant basis for their policy actions, and that they should be transparent about what they do. Significantly, with respect to encouraging harmonization, these Agreements contain a strong encouragement to use international standards.

The number of issues being discussed at the WTO relating to standards and regulations are growing. Delegations use the WTO Committees -- part of the regular work of the WTO (not negotiations!) -- to address these issues on a regular basis. Indeed, more and more WTO Members are increasing their cooperation on regulatory matters to ensure that trade concerns and disputes do not arise in the first place – this is an important subject that is going to be considered in the WTO's forthcoming World Trade Report 2012 which will focus on NTMs.

The key areas of work in the WTO relating to the concerns regarding trade in organic products are in the Committee on Technical Barriers to Trade (TBT), the Committee on Sanitary and Phytosanitary Measures (SPS), and the Committee on Trade and Environment. I will first begin with the last of these, and then go on to discuss the areas of TBT and SPS.

THE COMMITTEE ON TRADE AND ENVIRONMENT

Organic products can give a triple win: win in terms of trade, win for the environment, and win for development. Such triple win issues are a subject of discussion in the Committee on

Trade and Environment (CTE). WTO Members have shared their national experiences for seeking ways to ease market access challenges faced by producers, in particular by developing country producers. The discussion reflects that there are rapid growing consumers' demands on organic products, which could provide new market opportunities for farmers, in particular smallholders. Organic agriculture, in addition to income generation, could offer positive effects also in the social sphere and for natural resource conservation. This discussion has clearly highlighted the possible contribution of organic production to create a win-win-win situation for all.

Concerns however have been raised by a number of developing countries on the difficulties faced by producers due to the proliferation of different government regulations and private voluntary standards in the market. They have also raised concerns on the lack of relevant international standards and the high cost of multiple inspection, certification and accreditation requirements. The importance of providing the possibility for smallholder group certification, as well as a multilateral solution on harmonization, equivalency and mutual recognition were emphasized.

In the process of exchanging information in the Committee, the WTO Members have been informed of the relevant work of UNEP-UNCTAD Capacity Building Task Force on Trade and Environment and Development and IFOAM-FAO-UNCTAD International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF). The Committee on Trade and Environment also heard briefings from the ITC, UNCTAD and UNEP on key topics such as: current organic production and trade; main challenges of organic exports for developing countries; some possible solutions and tools regarding equivalence and harmonization of standards, requirements for organic certification bodies, and best practices for developing country governments to promote the organic sector.

SPS AND TBT COMMITTEES

The Committees on TBT and SPS are the key WTO Bodies that discuss the substantive disciplines affecting the areas that are the focus of this Conference. Their work, based on implementing the WTO's TBT and the SPS Agreements, is particularly relevant for lowering trade barriers in global organic markets.

The main thrust of the disciplines in SPS and TBT Agreements is similar. Thus, I will illustrate the main points broadly in general terms taking as illustration the elements from one of them.

Consider for instance the TBT Agreement. It provides disciplines to ensure that technical regulations, standards and certification procedures of organic products do not create unnecessary obstacles to trade. The Agreement seeks to ensure that measures affecting trade in organic products used by countries are transparent and not discriminatory in nature. It also seeks to facilitate trade by encouraging harmonization and equivalency of standards and requirements, as well as mutual recognition of conformity assessment results.

In recent years, the number of technical regulations and standards adopted by countries has grown significantly. This may be the result of higher standards of living worldwide, which have boosted consumers' demand for safe and high-quality products, and of growing problems of water, air and soil pollution, which have encouraged modern societies to explore environmentally-friendly products. Increased environmental concerns among consumers, due to rising levels of air, water and soil pollution, have led many governments to adopt regulations aimed at protecting the environment – as well as ensuring safety.

One of the main difficulties exporters face is costly multiple testing or certification of products.

These costs would be drastically reduced if a product could be tested once and the testing results be accepted in all markets. Therefore the Agreement also encourages mutual recognition, so that the results of different conformity assessment procedures are recognized across borders. Without such recognition, products might have to be tested twice, first by the exporting country and then by the importing country.

To avoid the proliferation of different national standards and regulations, the Agreement encourages harmonization. It encourages Members to use existing international standards for their national regulations and standards. Widespread participation in relevant international standardizing bodies can ensure that international standards reflect country-specific production and trade interests. The TBT Agreement encourages Members to participate, within the limits of their resources, in the work of international bodies for the preparation of standards. An important alternative is equivalence, when Members accept that the same policy objective can be achieved through different means.

All these initiatives are emphasized by GOMA and the participants at this Conference. The WTO is neither a standards setting Body nor a certification Body. Nonetheless, its framework of disciplines is crucial for effective performance of the substantive aspects of standards or certification bodies, because it provides basis for a level playing field, generates an expanding market with increasing opportunities, and reverses protectionist or fragmenting tendencies that would create obstacles to letting good products flow.

In addition to benefiting from the stable and growing markets generated by the framework of disciplines encompassed in these WTO Agreements, Members discuss their trade related concerns in the Committees established under them. For example, in the TBT Committee, 116 notifications were made by WTO Members in the period 2001 to 2011, informing the TBT Committee on their draft regulations on organic products and seeking comments from other Members on the drafts. Moreover, since the beginning of the TBT Committee in 1995, there have been four specific trade concerns raised regarding organic production and labeling requirements. These discussions help to address both specific trade-related concerns and pave the way for clarifying the system for other nations.

PRIVATE STANDARDS

A recent topic discussed in the WTO, which relates importantly to trade concerns regarding to organic products, is the growing use of "private standards". "Private standards", as the term indicates, are standards developed and/or used by non-governmental entities. They address a range of perceived or actual consumer-driven concerns relating to products or associated process and production methods. They may be environmentally, socially or food safety motivated, including organic production methods.

While the basic disciplines contained in the WTO Agreements are binding on governments, they could serve as the touchstone for the voluntary or non-mandatory disciplines for such standards. A good basis for this is contained in the TBT Agreement's "Code of Good Practice for the Preparation, Adoption and Application of Standards <http://www.wto.org/english/docs_e/legal_e/17-tbt_e.htm#annexIII>", which gives the framework of disciplines reflecting those embodied in the main body of the TBT Agreement itself. Agencies and organizations that develop voluntary standards are encouraged to accept this Code and follow the relevant disciplines enumerated there.

The topic of private standards has also been discussed in the Committee on Trade and Environment. The trade impact of private standards is a subject of particular concern to several coun-

tries, especially many developing countries. The concerns raised relate to their proliferation, their perceived or actual trade impacts, and the inexistence of a legally binding instrument to discipline them. Although cast as “voluntary” in nature (because they are imposed by private entities), they may nevertheless become, de facto, a necessary condition for market access, even if not imposed by law. The trade effect will depend on how widespread the standard is used – but it could, potentially, be significant if the retailer exercises market power. Indeed, the effect of a pervasive private standard may be greater than that of a government regulation of a smaller country.

Discussions on private standards have gone furthest in the SPS Committee, which deals with food safety, animal and plant health-related measures. In this Committee, although WTO Members continue to have diverse views on whether private standards legally fall within the scope of the SPS Agreement, an ad hoc working group has been established essentially to exchange information on the matter. Actions taken have included: developing a “working definition” of SPS-related private standards, and further information exchange to enhance understanding and awareness on how these standards compare or relate to international standards and governmental regulations.

We can thus see that in the context of regular WTO work, these Committees have an important role in providing a forum for discussing trade impacts that arise from private standards. Indeed, the types of concerns that have come up in the context of discussions on private standards are familiar: they revolve around issues such as inadequate transparency (of private standards, e.g. lack of notifications), the need for harmonization and the need to avoid the creation of unnecessary negative trade impacts.

OVERVIEW

These discussions and evaluation have shown that the area of non-tariff measures and particularly the topics of regulations and standards, as well as their effects on trade, are both technical and complex. Difficulties that producers face because of these measures arise due to procedural as well as substantive practices. For instance, duplicative testing requirements, unrecognized certificates or laboratories that are not considered valid because of lack of accreditation – all this counts in a global market. The existence of global supply chains, of links between backward and forward linkages, or the package of complementary services and goods required to sustain open markets for facilitating the flow of goods implies that business and policy makers should address their concerns through a platform that involves all relevant players in the area of international trade.

Much of this is part of the WTO’s regular work – where the disciplines of the TBT and SPS Agreements in particular are there to ensure that unnecessary barriers to trade do not arise through regulatory measures and standards. Harmonization and the use of international standards are particularly important in this respect – as are efforts to harmonize regionally and to achieve mutual recognition agreements.

Given the importance of harmonization, it is worth emphasizing however that disciplines for standards being developed within Free Trade Areas or Regional Trade Areas should aim at not creating dissimilar standards. Generating regional standards helps achieve greater harmonization, but to achieve even greater benefits the goal should be multi-lateralization, especially because the potential markets are not just regional. They are global in nature. Through their larger operational scale, such global markets would provide additional benefits based on increasing returns to scale that would generate greater investment and income

opportunities, more R and D work, and even create more efficient and harmonized training modules for capacity building.

In this background, the utility of multilateral trading system for promoting efforts towards harmonization is evident. Thus, it is important for all of us to keep the multilateral trading system strong and relevant, so as to adequately deal with evolving interconnected concerns, and to augment markets and prevent fragmentation.

Indeed, the work of the ITF and GOMA on the development of practical Tools for equivalence, both in standards and conformity assessment, as well as facilitation of regional harmonization of standards can be seen as an innovative model of practical implementation of TBT objectives on harmonization and equivalence. Your work would also contribute to lowering trade barriers in the organic sector and helping weaker economies and small producers to better face the challenges.

I cannot over-emphasize the importance of the point that trade flows can grow to a significantly larger potential under a fair, stable and predictable multilateral trading system. Such a system is essential for sustained growth and income opportunities. The Conference document shows an important statement by one of the speakers which states that: “rather than side-by-side comparisons, seeking multilateral equivalence has become a necessity”. This principle is not limited only to equivalence but extends to all aspects of efficiency and larger income earning opportunities relating to organic products. Therefore, recognizing and emphasizing the importance of the multilateral trading system should be a major common objective for us all, because that system helps us better achieve the objective of good products flowing with greater ease in ever growing volumes.

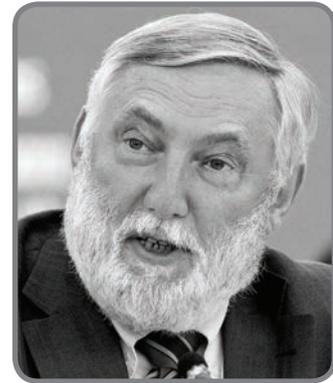
KEYNOTE SPEECH: THE ROLE OF ORGANIC FARMING IN OUR SOCIETIES

MR. FRANZ FISCHLER

PRESIDENT, ECO SOCIAL FORUM EUROPE

SPEAKER'S BIO

Franz Fischler, former Commissioner for Agriculture, Rural Development and Fisheries of the European Union, has been the President of the Eco-Social Forum Europe since December 2004. He also runs a consultancy business and is a lecturer in high demand. Dr. Fischler was recently short-listed for Director-General of the Food and Agriculture Organization (FAO).



From 1995 to 2004, in the role of EU Commissioner, Dr. Fischler's accomplishments included: managing the BSE crisis, completing Agenda 2000, and reforming various agriculture and fisheries policies, relating to the vegetable and fruit sectors, and olive and wine trade regulations. Dr. Fischler also served as the Austrian Federal Minister for Agriculture and Forestry (from 1989 – 1994), where he led the negotiations on agricultural issues for Austria's accession to the European Union.

A native of Tyrol, Austria, Dr. Fischler holds a Ph.D. from the University of Natural Resources and Life Sciences in Vienna and began his career in the extension service.

PRESENTATION

It took a long period of time and enormous efforts until organic farming was accepted in our society as a part of the farming sector in its own right. But nowadays organic farming has a significant market share and is growing much faster every year than any other agricultural segment. It is therefore very timely to introduce international organic food standards, which respect the large variety of agricultural production systems, climates, soils and other organic production conditions.

But organic production as such is more; it is not only about agriculture. It is about lifestyles, the balancing of economic, ecological and social principles; it is about sustainability and finally about our society as a whole. Therefore, the setting of proper food standards must also reflect this societal background to make them acceptable to those parts of our modern societies which are interested in sustainable lifestyles and in a resource saving economy. The purpose of this contribution is exactly this, to describe the role of organic production for our societies and to show the interlinkages between organic farming and the society as a whole.

Let me first use Austria as a good example to illustrate that organic farming has big potential and can easily meet not only the interests of the consumers but also contribute to a more sustainable behavior of our citizens. In Austria, 22,000 farms are classified as organic farms. This is 16% of the total number of farms and is the highest percentage in Europe and maybe worldwide. They cultivate more than 500,000 ha agricultural land, sell fresh products worth 306 million Euros and the sector continues to grow significantly every year. The main reason for this very positive development is that policy makers thought that organic farming would help to keep a big market share of products of Austrian origin after joining the EU. With clearly defined organic brands, specific support schemes for organic production and good marketing concepts for regional products, it is possible to persuade the managers of the supermarket

chains to list organic products and to favor Austrian supply.

This plan was worked out in the preparation phase of EU-membership but still works very well, and although Austria is surrounded by EU members, the Austrian food market is mainly driven by regional products.

However, the Austrian example also shows that there is a huge market potential to be used by the organic sector. Consumers are nowadays very sensitive about health matters, they have reservations against industrial production methods, they are concerned about the environment, they increasingly reject products with a big “CO2 rucksack” and they like to see animal welfare friendly production systems in use. All in all, these are all very positive features and the future of the organic farming sector looks basically bright.

However, to be successful, it is not only necessary to have a close look at what happens behind the farm gate, it is also of utmost importance to include the whole food chain in the organic production system. Organic must be a comprehensive concept through the whole food chain and include a fair distribution of profits between all the links of the chain as well as a full guarantee of organic standards from the stable to the table. In addition, the organic food markets are, like any other food market, demand driven. Therefore, organic buyers are as price-conscious as other consumers but accept that the higher production costs of organic products are reflected in the price. For them, quality counts and they must have full confidence in the reliability of production and marketing standards.

At the farm level, these standards must reflect not only the absence of mineral fertilizers, chemical pesticides or GMOs, they must also increasingly include the coupling of Ag-products with the provision of public goods and services, such as biodiversity, wildlife or natural habitats, or water and soil protection. Therefore, organic farmers must understand the functioning of natural processes, and they must knowhow to manage their crops with natural methods, how to minimize the risks and how to keep natural cycles as closed as possible.

For the processors, the most important aim is to keep the quality of the raw materials they use throughout processing at the same level, while adding new quality elements in order to produce real added value at the same time. Small and medium enterprises (SMEs) or small cooperatives are best suited for organic processing. Their production methods must be part of the quality assessment; they must use as many renewable energy sources as possible. They have to minimize residues and waste and they must make valuable contributions to the closing of natural loops.

Logistics and smart marketing are the next link in the organic food chain. Organic logistics mean short and thorough transport distances as well as taking advantage of direct marketing. Organic marketing includes brands and labeling as well as consumer information and advice.

Finally, legitimate organic consumer interests and their behavior also count. Being an organic consumer means not only consumption of organic food. Organic consumers practice a sustainable lifestyle, are conscious of the value of food, avoid waste, respect nature values and the environment, contribute to the closing of natural cycles in their daily lives, act in an energy and resource efficient way and behave also in a socially responsible manner.

In other words, organic is really challenging for all the actors involved in the chain. It requires determination for an “organic way of life”, specific knowledge and innovation, sophisticated education, training and extension, transparency as well as an active and socially engaged citizenship.

Moreover, organic must be based on a reasonable legal framework in order to provide a level playing field for all actors involved in the organic process. The main element of organic legislation is standard setting, labeling rules, protecting brands, guaranteeing fair trade and provi-

ding the necessary incentives.

We should be aware that organic is possibly one of the best ways to guide modern society in a more sustainable and balanced direction and to make it more resilient against the biggest challenges, such as climate change, or the loss of biodiversity and of social cohesion. In this broader sense, organic can be a role model for a knowledge based bio-economy (KBBE). This is where the future lies. Following the definition of WWF Denmark, KBBE supports existing and new efficiency-enabling solutions to fully capitalize on their short-term potential. It anticipates and nurtures progressing towards large scale biomass use and closed loop systems. And it ensures land management according to principles of sustainability.

Respecting all these principles and practicing organic will, in a future step, also lead to a more holistic rural development approach, a form of rural development which tries to optimize rural life in all its facets, be it agriculture, industry, the service sector, energy, mobility, social life or nature consumption.

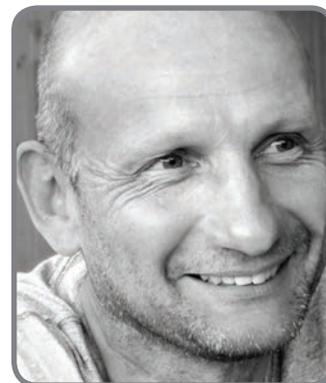
On a global level, organic can help to reduce poverty and hunger. Famine is primarily a phenomenon of poverty in rural zones. If we were able to mitigate the risks of the 500 million subsistence farmers, we could immediately meet millennium goal number one. For most of these farmers, industrialization is not a realistic option, but low cost input and organic methods can help a lot to overcome food insecurity.

10 YEARS BACK AND 10 YEARS FORWARD

PAST (2002): THE STARTING POINT AND THE ISSUES

MR. DAVID CRUCEFIX

EXECUTIVE DIRECTOR (BUSINESS)
INTERNATIONAL ORGANIC ACCREDITATION SERVICE



SPEAKER'S BIO

An agronomist and plant pathologist by training, David Crucefix has worked with the International Organic Accreditation Service (IOAS) since 2000. Previously Assistant Executive Director, last year he was appointed Joint Executive Director. Alongside his work at IOAS, he contributed to the early background and strategy papers of the ITF.

He previously worked in organic inspection and certification in Europe and before that as a technical advisor to horticultural projects in the eastern Caribbean. He lives with his family in rural, northeastern Spain.

PRESENTATION

This presentation aims to remind us of the status of the regulation of international trade in products of organic agriculture at the point at which the initiative on harmonization and equivalence under the ITF, and subsequently GOMA, commenced back in 2002. In particular it focuses on explaining the issues that triggered the work over the last ten years. Subsequent presentations by Nadia Scialabba and Gunnar Rundgren will explore the initiatives taken, the position we are in now and what the future holds.

A brief and very general history of the organic movement and its regulation up until 2002 will be provided as background.

At the time of the first harmonization conference in 2002, there were two international benchmark guidelines for organic agriculture, 32 implemented national regulations and a further 24 had either been finalized but not implemented or had draft legislation in place. About 350 certification bodies of various types involved in inspection and certification of organic projects were working in about 150 countries. The major import markets of the USA, Europe and Japan all had mechanisms to regulate imports. The longest established regulation of Europe, the now superseded (EEC) 2092/91, had been in place for ten years and had widely influenced national regulations of exporting countries and the structure and content of the intergovernmental Codex international guidelines. Despite the European regulation having in place a mechanism for recognizing country equivalence, over 90% of all organic products were known to be entering member states through the 'back door', based on the infamous policy of importer authorization. The relatively new US and Japanese rules also included mechanisms for country equivalence but were only just beginning to come into effect.

At the same time the private sector guarantee of IFOAM accreditation was undergoing its most rapid expansion in its history, partly fuelled by interest from certain retail operations in distinguishing themselves as providing a solid guarantee of integrity to consumers.

The largely non-integrated public and private sector rules and conformity assessment systems were viewed in 2002 as turning into a monster and a major obstacle to what was at that time a rapidly developing organic sector. Hundreds of private sector and government standards, burgeoning regulation and national and international models of accreditation – coupled with a lack of cooperation, harmonization and mutual recognition – threatened organic livelihoods, especially in developing countries. An organic export operation with markets in several countries was likely to have two or three certification bodies supervising them, imposing different requirements, which in turn were supervised by several accreditation bodies or government authorities. The imposition of organic standards constructed for a far-off import market – and the need for producers to apply not just one of these, but several, all at considerable cost – was the frequently quoted frustration that perhaps pushed us into taking action.

Ten years ago at BioFach, we started to think in a collaborative way about how we could change this situation for the better.

PRESENT (2012): CURRENT SITUATION OF ORGANIC MARKET ACCESS

MS. NADIA EL-HAGE SCIALABBA

SENIOR OFFICER, FAO



SPEAKER'S BIO

Nadia El-Hage Scialabba, trained in Environmental Studies at the University of Charleston (USA), is a Senior Officer of the Food and Agriculture Organization of the United Nations (FAO) in Rome, Italy. Since 1985, she has contributed to the FAO Fisheries, Agriculture, Sustainable Development and now Environment Departments by integrating environmental considerations into the technical and policy work of the FAO at the global and national levels. Ms. Scialabba is currently responsible for mobilizing the food and agriculture sector for Rio+20 and the green economy. Since 1990, Ms. Scialabba has been leading the FAO cross-sectorial program on organic agriculture.

PRESENTATION

The organic market today counts over two million certified organic farmers. Many farms are organized for group certification and it is not easy to estimate the total number of all organic farmers. For example, in India only 545 of the 733,172 farms are certified as individual farms, all others are organized in groups, with a varying number of farms. The organic market represent a global sale of certified products of USD 59 billion and a global turnover of organic certification in the range of 400 million Euros (based on estimated market value). The traditional import markets of the USA, Europe and Japan still register the lion's share of global organic sales (i.e. 55 billion USD in 2009) but Asian import markets (i.e. Arabic Gulf, South Asia, East Asia) are very rapidly expanding. In addition, organic markets include products that do not go through third-party certification but alternative guarantee systems.

IFOAM and the Codex Alimentarius Commission offer the two international benchmarks for organic agriculture; while kept by and servicing two distinct constituencies (i.e. governments and private operators), they generally converge and do not pose particular trade problems. In a decade, the number of countries with an organic regulation has almost doubled, with today a total of 110 countries implementing or developing a regulation, of which: 66 countries have fully implemented regulations; 19 countries have finalized their regulation but not yet fully implemented it; and 25 countries are in the process of drafting an organic regulation. Many emerging markets, such as Argentina, China, India, Brazil, and Korea, have organic import requirements. In addition to country regulations, there are at least 121 private organic standards of certification bodies; their either differentiate themselves or extend standards to aspects not covered by government regulations, such as social justice, fisheries, cosmetics, ecotourism or organic restaurants. Also, there is a Global Organic Textile Standard. The introduction of regulations seems to have stimulated the growth of private certification bodies, which also grew in a decade by 50%, with today a total of 549 certification bodies based in 85 countries. A few of these work in most continents and organic certification operations are found in almost all countries of the world.

Therefore, the current landscape for organic trade is crowded with standards and verification systems, North and South, West and East. In this context of expanding conformity assessment structures and emerging equivalency tools, seeking multilateral equivalence has become a necessity: in fact, multilateral agreements are now starting to be considered, such as in Asia. There is an increasing awareness that reducing administrative and financial costs would provi-

de increased opportunities to producers, operators and consumers.

In the past, the organic market was regulated, more often than not, before a robust growth of the domestic organic sector took place, and compliance systems of all sorts mushroomed. Compliance to different market requirements through multiple and costly third-party certification complicated smallholder participation in international markets. Participatory Guarantee Systems emerged and are increasingly being recognized (e.g. Brazil, India), with a view to decrease costs and the commodification of producers and their produce. At the international level, an International Task Force of public and private actors formed to develop normative tools for facilitating trade flows: cooperation was celebrated and tools were developed to assess the equivalency of organic standards and the performance requirements for certification.

The *International Requirements for Organic Certification Bodies (IROCB)* helps both government and certification bodies determine if foreign certification bodies can be approved, based on equivalence performance. The Guide for Assessing Equivalence of Organic Standards and Technical Regulations (EquiTool) includes: procedures to use for the assessment; criteria to use for deciding if differences between two or more organic standards can be rationalized; and an Annex for determining equivalence based on common objectives. These tools were created to act at local, national and international levels, but possessing tools is only the beginning of implementation. There is need to learn to use the tools and more importantly, adjust them to constant change. The objective of the Global Organic Market Access (GOMA) initiative is precisely about implementation.

One main outcome of GOMA is the development of the EquiTool Annex into *Common Objectives and Requirements of Organic Standards (COROS)*. Finalized in April 2011, COROS sets 10 main objectives:

1. organic management is long-term, ecological and systems-based;
2. Soil fertility is long-term and biologically-based;
3. Synthetic inputs at all stages of the organic product chain and exposure of people and the environment to persistent, potentially harmful chemicals are avoided/minimized;
4. Pollution and degradation of the production/processing unit and surrounding environment from production/processing activities are minimized;
5. Certain unproven, unnatural and harmful technologies are excluded from the system;
6. Animals are treated responsibly;
7. The natural health of animals is promoted and maintained;
8. Organic integrity is maintained throughout the supply chain;
9. Organic identity is provided in the supply chain;
10. Fairness, respect and justice, equal opportunities and non-discrimination is afforded to employees and workers.

COROS is being used for:

- Development of new regional organic standards (e.g. Asia Regional Organic Standard);
- Promoting recognition of existing organic standards (e.g. East Africa Organic Production Standards with EU; Pacific Organic Standards with Australia);
- Bilateral and multilateral comparisons of standards (e.g. Indonesia and Philippines);
- Self-evaluation for future bilateral equivalencies (e.g. Canada).

Regional initiatives are on the rise in all continents to collectively address trade hurdles and share logistic, administrative and financial burden. Following the development of organic stan-

dards in East Africa and Pacific island countries, a Harmonized Regional Organic Regulation was completed in March 2011 in Central America (i.e. Costa Rica, Nicaragua, Guatemala, Honduras, El Salvador, Panama) and Dominican Republic. Also, a Framework for Organic Labelling and Trade in East, South-East and South Asia is being established, including both regulating countries (i.e. China, India, Indonesia, Korea, Malaysia, Thailand, Philippines) and not regulating ones (i.e. Bhutan, Nepal, Sri Lanka, Laos, Cambodia, Vietnam, Singapore, Hong Kong). Notably, an Asia Regional Organic Standard (AROS) has been developed and endorsed in February 2012 and a Multilateral Agreement is being forged among willing countries to chart a course of cooperation, with a view to support intra-regional trade.

It is interesting to note that more than half of countries with organic regulations (64) are today participating in regional organic standards throughout all five continents, including: EU (27); Pacific (12); East Africa (5); Central America (7); Asia (13). Andean and Southern African countries have indicated interest to also develop sub-regional organic standards. This “new regionalism” of organic standards and conformity assessments strengthens South-South cooperation, regional cohesiveness (building on specific needs) and international trade. What has become clear in the recent years is that harmonization and agreement on common objectives is possible, despite widely different circumstances, such as in Asia. Also, inclusive organic standard systems, based on public-private partnerships, are on the rise, despite hurdles in some emerging markets which are currently being disentangled.

Today is indeed the “enforcement age”, a term first used by Kathleen Merrigan, USDA Deputy-Secretary, as she talked about the National Organic Program and organic trade. Enforcement is about adherence to agreed standards and prevention of fraudulent practices. It is heart-lifting to observe that, more than policing, a trend of good governance is being forged in the global organic sector, based on rule of law, participation, fairness and self-evaluation. It is in this spirit that today, regional standards are developing in East Africa, East/Southeast/South Asia, Central American and Pacific countries. Cooperation between public regulating entities and private operators has become more the standard than the rule in the organic sector. Good governance, regionalism and cooperation pave the way for effective equivalency and harmonization, although these are still to be seen in practice.

Moving from classical side-by-side equivalency assessments to using IROCB/EquiTool/COROS is indeed still slow. These new tools’ effective uptake will depend on their eventual acceptance by major regulated markets and this requires political will. Today’s laudable “age of enforcement” of organic regulations can – and should – be stirred on the “path of equivalence” in order to effectively deal with complexity while safeguarding diversity. The challenge of the future will be keeping things simple in a world of diversity. This is precisely COROS’ objective: seeking integrity of the end product by referring to common organic objectives, which can be reached in different ways, according to specific country circumstances.

The organic community has always been progressive, claiming nature and social justice throughout the food system. Compliance systems have advocated complementary roles for governments and private actors. But market expansion has unavoidably brought market characteristics, that is, commodification and competition. Standardization sacrifices quality and profit deters diligent efforts, to the detriment of smallholders and consumers. In addition, new challenges such as climate change are seeing the market flooded with new, more consumer appealing labels. As a result, the main challenge of organic system’s credibility is further compounded with viability issues: is it really organic? In seeking sustainability, is carbon-neutral better? Or maybe fair trade? How much longer will producers and consumers cope with increasing complexity? Labeling activates business-to-consumers value chains, so certification of all sorts is proliferating. Organic standard systems must embrace sustainability labeling in order to cover a larger market and prevent re-certification.

FUTURE: WHAT WILL HAPPEN? WHAT SHOULD HAPPEN?

MR. GUNNAR RUNDGREN

PUBLISHER OF *THE ORGANIC STANDARD*

SPEAKER'S BIO

Gunnar Rundgren has worked with most parts of the organic farmer sector – from farming to policy – since 1977. Currently he is a Senior Consultant at Grolink AB (www.grolink.se) – a consultancy company engaged in certification development, policy development, project development, marketing strategies and international training programs – mainly targeting developing countries. He is publisher of *The Organic Standard* (www.organicstandard.com) - a specialized journal for organic standards and certification.



He is the Initiator of several organizations for organic agriculture in Sweden, including KRAV – the certification program where he was the director for the first eight years. In addition, he served as the first President of the IFOAM Accreditation Program Board (now the IOAS) from 1992-1997, was on the World Board in 1998 and was IFOAM President from 2000-2005.

PRESENTATION

This paper looks at what I believe will or could happen, based on current trends and also what I consider to be desirable developments. Unfortunately, these are not always identical.

DRIVERS FROM THE OUTSIDE

Food or energy crisis.

A major food or energy crisis could certainly have far-reaching influence also on the organic sector. We could see during the “food crisis” 2008 that countries are not trusting the global trade system very much when it comes to food; many countries made bi-lateral food deals, while others even established production in foreign territories. A major food or energy crisis will most likely strengthen localization efforts as well as trigger more protectionist trade policies. This would certainly affect organic and make facilitation of trade and harmonization of standards a less appealing proposition for politicians and market actors alike.

Market related influences.

Organic production doesn't operate in a vacuum. Factors influencing the demand of organic products have an effect also on how standards and certification develops. No matter how much we believe we operate based on principles, we are still influenced by competition and comparison with other concepts. Food scandals for conventional food inevitably increase the demand for organic products. New concepts, competing with organic, will influence organic, but their influence can vary. If they are “extreme” they will pick up and satisfy consumers with such preferences and most likely leave organic more mainstream – and therefore less demanding when it comes to standards. If, however – and this is more likely – they are close to organic but not fully organic, or perhaps better than organic in some regard (for example animal welfare), they will drive organic into further exclusivity. If the whole conventional production

is moving towards organic it is also likely to move organic more towards exclusivity, to keep sufficient “distance” between organic and non-organic production.

Government payments (to organic) for ecosystem services.

Increasingly governments are compensating farmers for ecosystem services, such as biodiversity conservation. The European Union (EU) support to organic farming is motivated on those grounds. We can see many farmers in the EU who are farming for that support and don't sell their products in the market place as organic. We can also anticipate that carbon payments (perhaps also emission reduction for methane from cattle or rice) to farmers will develop. Once government pays for these services, one can envision that in order to give value for money such aspects will get increasing weight in organic standards. In countries, e.g. EU or Switzerland, where farmers get paid for bio-diversity conservation, it is not hard to include such things (e.g. not cultivated zones along waterways) as an integral part of the organic standards, while for farmers in countries where they don't get such compensation it is harder.

Even if organic farming is better than conventional from a carbon perspective, it is clear that not all organic farms sequester carbon, e.g. intensive organic horticulture is rarely climate friendly. There are also potential contradictions between optimizing carbon sequestration and other aspects of standards. Hitherto we have managed to unify the market for consumer goods and the market for public goods and services in the organic standards. But we might soon get into a situation where there are different standards developed for the different markets; some farming to satisfy consumers of organic food, others to satisfy governments. Clearly, many of the prevailing standards are totally irrelevant for the production of ecosystem services, for example standards related to separation between organic and conventional products, and standards limiting contamination from the outside.

DRIVERS FROM WITHIN

Fatigue of more procedures and limitations.

Many producers are tired or frustrated by the inspection and certification requirements and the straight-jacket of having to comply to the letter of ever more detailed standards. They might seek alternative assurance systems, such as Participatory Guarantee Systems. They might also go for more direct consumer relationships, such as Consumer Supported Agriculture, which largely can make inspection and formalized standards redundant.

If the harmonized standard/regulation is too successful it will lose its attraction.

When the organic sector was small, its main interest was to compete with non-organic products. When organic grows to five or ten percent of the market, there will be growing competition between organic firms, and this will inevitably lead to differentiation. Considering that the initial differentiation (against conventional) was built on standards, it is not far-fetched to believe that a future differentiation also, to some extent at least, will be based on standards. We might come back to a situation similar to the one before all regulations with many organic standards competing.

However, I believe most of this will not be between different organic standard owners or labeling schemes, but between company-specific, or brand-specific standards. New technology (such as QR Codes) makes it easy to communicate differentiated product specification directly to consumers. There are already systems to “rate” products (see for example Good Guide, www.goodguide.com) according to a multitude of criteria, and in this way both companies and consumers can apply their “own” standards. Actually, it is likely that Facebook and Google know your preferences better than you can specify yourself. “Recommended by Facebook”

might become a kind of individualized standard, different for everybody.

Such “own” standards may, or may not be backed by external verification. In a way, even if all this is made a lot easier with modern technology, this is how artisanal producers have sought to differentiate themselves all along. This development will certainly be a major challenge both for the harmonized organic regulations and the “old” organic labeling schemes such as Soil Association, Bio Suisse and KRAV.

Convergence of standards because of lock-in effects of agreements.

Bi-lateral and multilateral agreements will inevitably “preserve” organic standards. They already became much more difficult to change when they were moved into public regulation. When equivalence agreements are signed between major actors, it means that existing rules will converge. We can already see signs of this, such as that the approval of Chilean Nitrate in the United States is likely to be abolished, quite clearly a result of the agreement with Canada and the EU. It will also make it much harder to introduce new standards, as it must be assessed which effect such new standards will have on existing agreements. It will make it virtually impossible to add things like social standards, elaborated biodiversity standards or climate standards – within the context of the regulation. This, in turn, will call for more differentiation outside of the regulations.

NEEDED CHANGES

Supportive Policies: Organic regulations should not only consider the aspects of protection of producers and consumers. They should be linked to an ambitious development agenda and be seen as tools to facilitate the vision for organic to become a reality. Policies should be oriented to support to the sector rather than to restrictive regulations and organic should be seen as an innovation system rather than a set of pre-defined methods.

Transparency: We need real transparency – signs on all organic fields and workplaces and public access to the production side – thus, shredding some of the confidentiality and giving the public better insight into the production and the certification process. Why not make inspection reports publicly available? It is done in some other controls systems (e.g. Marine Stewardship Council and the Danish food inspections). The quality of inspection reports would have to increase dramatically if inspection reports were made public – the current state of inspection reports is deplorable in many cases. Transparency is key to maintaining trust in organic foods and organic certification. The United States is in this regard a good example compared to the European Union.

More control: Organic certification has developed into “audit of systems” rather than inspection and control. The assumption is that if you have a good system, things will be good, and inspectors have been renamed to “auditors”. While good systems can be useful, they neither guarantee good management nor prevent fraud. There is a need to put more energy into control of what has actually taken place, rather than continue along the path of systems audit.

Market surveillance: In most cases, market surveillance is weak. No one seems to take on the responsibility and it eventually ends up on nobody’s desk. It is quite obvious that certification bodies should monitor the market place for the improper use of their certification mark. I doubt, though, that many spend a lot of energy on it. It is less obvious who is really checking all the other organic claims within the market place. Strangely enough, organic regulations, which were supported by the organic sector exactly because the sector wanted such surveillance, are in most cases silent on this, and leave the question of responsibility for monitoring the market open. In most countries, the public control authorities have put it low on their agenda even though they were supposed to

take care of it. There are however promising signs from, for example Denmark and United States.

The big challenges to organic integrity are in the trade, and in particular in trade between different certified systems. IT tools for traceability and certification have already been introduced; interestingly developing countries such as India are pioneers here. To collect all trade data in one place clearly has the potential to reduce fraud in trade, and such efforts should be stepped up. Systems, preferably international and self-governed, for monitoring of trade flows need to be developed.

Increased use of risk analysis: Many certification bodies question the value of routine inspections e.g. of producers that have been organic for two decades without any substantial non-conformity. While initially being hard to accept, risk analysis and a risk-based approach to inspection is now being increasingly accepted, e.g. by the EU and IFOAM. This is opening a system of more differentiated inspection procedures, so more energy can thus be spent on the problematic cases. The limiting factor here is mainly the lack of trust between certification bodies, i.e. they will suspect that other certification bodies are classifying all producers as low risk, just to be able to keep fees low.

Cost-benefit assessment of standards and certification procedures: We can't just continue to add layers of complication in the organic system with no consideration of the effects or costs of them compared to their added value. A systematic cost-benefit analysis should be done for new components of the system, and the whole system should need a review from that perspective.

Democratization: Even if there is no way to turn the clock back to producer-controlled certification bodies (which is probably not desirable in the first place) it is critical that the future development of organic certification is not left to the certifiers, accreditors and regulators. In the same way that stakeholders have been encouraged to contribute to the debate on standards, producers and processors need to question the rules, need to propose their own ideas for how certification should develop etc. Far too easily, criticism from producers is rejected with a reference to the ISO 65 or to an organic regulation. Operators should be encouraged to participate in the formulation of rules for certification, and operators themselves should demand more influence.

Increase in equivalence and mutual recognition: We have now witnessed some major advances in equivalence agreements. The ITF tools form an excellent basis for further development. Equivalence agreements should include import regimes in order to be efficient. We must realize that equivalence agreements are very resource demanding and it is difficult even for big actors to have sufficient resources – and expertise – to pursue them. Therefore we need to look at other options as well, such as multilateral agreements and how to rationalize the accreditation / approval systems. They are bigger stumbling blocks than standards. In this context the IFOAM offer of a family of standards and an international accreditation mechanism is still very attractive.

For years, I have argued that it is weird and unfair that producers who do not use toxic agro-chemicals, who do not use GMOs, and who do not use cruel methods in animal husbandry, should have to be inspected and pay for certification, while other producers do not. Nor is it right that organic products should be specially labeled and kept separate, when it should be the conventional products that should have warning signs and be kept on special shelves (and pay the costs for separate handling). **Ideally**...External costs should be internalized in the price of food, in which case there would be no need for premium prices for organic and no need for certification.

Ultimately, organic production should become the normal way of production.

DEVELOPING COUNTRIES AND THE WORLD ORGANIC MARKET

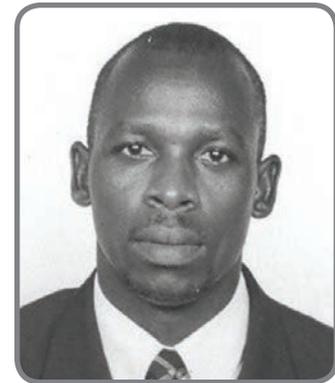
DEVELOPMENT OF EAST AFRICAN ORGANIC PRODUCTS STANDARDS (EAOPS)

MR. DAVID EBOKU

UGANDA BUREAU OF STANDARDS

SPEAKER'S BIO

David Eboku is a food scientist employed by the Uganda National Bureau of Standards (UNBS) as a Principal Standards Officer and Head of the Division for the Food and Agricultural Standards, where he focuses on the development of standards for food quality and safety and providing information on standards, policy and regulatory issues in Uganda. In his 12 years at UNBS, he has worked with Uganda's interests on national, regional and international standardization in food and agriculture including organic agriculture. He was a member of the International Task Force on harmonisation and equivalence in organic agriculture and once served as a member of the IFOAM Criteria Committee.



PRESENTATION

Background

The East African Community (EAC) is a regional intergovernmental organization of the Republics of Burundi, Kenya, Rwanda, Tanzania and Uganda, established by a treaty in 1999 and headquartered in Arusha, Tanzania. The EAC countries have an area of 1.82 million km²; more than 133 million people who share history, language, culture and infrastructure; and a combined Gross Domestic Product (GDP) of US\$74.5 billion.

The mission is to widen and deepen Economic, Political, Social and Culture integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production, trade and investments. An East African protocol and standards, quality assurance metrology, and testing act of the east African parliament provide for common standards in health, food security and environment protection.

Agriculture constitutes a major livelihood activity employing most of small-scale smallholder farmers. Organic agriculture offers opportunities for small scale farmers to practice sustainable production improving productivity, outputs and access to markets. However, low awareness on organic agriculture; lack of trust on the integrity of organic products; market demand in excess of supply; and limitations associated with foreign certification systems greatly hinder progress in the sector.

Development of the standard

Organic agriculture, at least a formal part of it, is not very old in East Africa. As a result of the rise in the markets for organic products, especially in the developed world, there was more or less confusion as to what is organic, or indeed if organic was any different from the form of agriculture hitherto

existent. Numerous private associations, nongovernmental organisations (NGOs) and individual producers responded by setting standards leading to proliferation of standards and assurance systems within the EAC. Harmonization of the standards leading to EAOPS was an outstanding necessity.

Through the initiative of the United Nations Conference on Trade and Development (UNCTAD), the United Nations Environmental Programme (UNEP) the Capacity Building Task Force on Trade and Environment and the International Federation of Organic Agriculture Movements (IFOAM) projects, the process to develop a regional standard was started. Developing EAOPS was done in a public-private partnership through the establishment of a Regional Standards Technical Working Group composed of representatives from National Bureau of Standards, certification bodies and National Organic Agricultural Movements from Kenya, Tanzania and Uganda together with representatives from the East African Business Council and other experts.

A framework defining ownership and steps for developing the standard was developed. A draft based on Codex Alimentarius, IFOAM and available local standards was used to undertake several consultations at national level and a field testing exercise before the final draft was produced. A lot of reviews were undertaken to sieve out the practices that are indicated as organic and the corresponding practices that are common in East Africa. In this way, a local standard based on local practices consistent with internationally recognized principles of organic agriculture was produced. The draft standard was submitted to the EAC Secretariat for a formal approval process. The standard was approved by the East African Standards Committee and the EAC Council of Ministers as a formal public standard that is issued in accordance with the laws of the EAC.

Benefits

The EAC gazetted the standard as an East African Standard in 2007. The standard is publicly available for users from the EAC Partner States Bureau of Standards or the EAC Secretariat at Arusha. The standard is used in all EAC countries without any modification. The standard provides a reference for national legislation, a tool for certification and recognition of the EAC organic products and as means for awareness, training and education among the population. It is used for certification for local and international markets.

Local certification agencies use the standards for certification. The only local certifier in Uganda Ugocert®, for example, is approved as a foreign certifier for the EU market. Ugocert® undertakes certification based on a standard equivalent to EAOPS and this standard is therefore the basis for Ugocert® competence in organic certification. It is now anticipated that the European Union (EU) will approve Ugocert to certify organic products based on EAOPS. This will give EAOPS an international recognition in the organic market place.

The EAOPS has improved understanding and knowledge; standardized organic processes and improved volumes; and increased recognition and market access for smallholder producers. The resultant increased incomes mean better livelihood and environment, the ultimate benefit of organic agriculture.

Future prospects

Future amendments to EAOPS will be routed through the EAC systems and Partner State Legislation will adopt this by reference. It is expected that this standard will soon undergo a revision to widen the scope and also bring the list of inputs to up date it in light of new technologies and information.

Current criticism against the EAOPS is that it is not backed by a well functioning public control system. The EAC now needs to upgrade policy and legislative framework in the region to further strengthen organic agriculture including inspection and certification systems and continue to maintain the text and widen the scope of the standards as technology and knowledge improve. The EAOPS also requires further recognition internationally for greater global market access and a bountiful supply for consumers worldwide of the delicious organic products from the rich natural resources of East Africa, resulting in a win-win-win situation everywhere.

DEVELOPMENT OF AN ORGANIC GUARANTEE SYSTEM FOR THE PACIFIC (POGS)

Ms. KAREN MAPUSUA

POETCOM COORDINATING OFFICER

SPEAKER'S BIO

Karen is the Coordinating Officer for the Pacific Organic and Ethical Trade Community (POETCom) based in the Secretariat of the Pacific Community, Suva Fiji. For the past six years she has been engaged in the Pacific organic movement through the organization Women in Business Development in Samoa (WIBDIS). This has included managing WIBDIS organic programs, developing Internal Control Systems (ICS), and provision of training in ICS in the region. She was extensively involved in developing the Pacific Organic Standard (POS) and the Strategy for Organic Development in the Pacific Islands region and has lobbied successfully for organic agriculture to be prioritized in the agricultural agenda of the Pacific Island states.



Karen's background includes teaching, NGO management and capacity building, and peace-keeping. She holds degrees in history/politics and management and she has a small organic farm in Samoa.

PRESENTATION

In 2007 the International Fund for Agricultural Development (IFAD) funded an IFOAM initiative to develop the Pacific Organic Standard (POS). It had been identified that lack of coordination and the cost of certification were barriers to the development of organics in the region. Pacific stakeholders felt there wasn't sufficient local ownership or consultation in the design of this program and so worked with IFOAM and the Secretariat of the Pacific Community (SPC) to develop a second parallel but linked project to fill this gap and ensure broad based consultative processes and the developing of a public private partnership.

The public/private partnership has been a strength of this process and has resulted in the formation of the Pacific Organic and Ethical Trade Community (POETCom), a stakeholder driven group housed in the intergovernmental body the SPC, and with political support through the Pacific High Level Organic Group. The aim is to serve as the peak body for organics in the region and also to implement and manage the organic guarantee system for the Pacific. Public private partnership is not without challenges, and one of these from a private sector perspective is the slow response time of public partners due to bureaucratic systems. This has been identified as an obstacle in moving to implementation of the POS.

The POS is a public standard, officially accepted and endorsed by the Ministers of Agriculture of the region in 2008. French Polynesia recognizes the POS in law and the Pacific Organic Standard is currently used as the production standard for 2 PGS.

The key challenges for developing the Pacific Organic Guarantee System (POGS) include: a broad range of capacity at country level, including diverse regulatory systems across the region; Developing partnerships and capacity for certification; Building capacity to implement and manage a POGS at regional /institutional level; Ensuring cost effective and sustainable systems.

The anticipated benefits include improved access to certification; expansion of PGS in particular with links to the tourism and hospitality sector; the potential for joint supply to markets; improved regional coordination and cooperation leading to cost benefits, shared knowledge and capacity building; and the application of culturally and agriculturally appropriate standards.

One of the key benefits already achieved is raising the awareness of the role and importance of organic agriculture and getting it “on the agenda” of the Ministries of Agriculture of the region. Substantial progress has been made in this area with Heads of Agriculture Departments and Ministers of Agriculture identifying organics as a priority of agricultural development during regional high level meetings.

SPC and POETCom are now seeking the most appropriate structure for the Pacific Organic Guarantee System. This development is considering the type of actors seeking certification (size, scope, producers, processors, export and local market etc), market requirements and available resources and capacities. The Pacific Organic Guarantee System will foster coherence and cooperation for organic agriculture in the Pacific including expanding the base of certified producers, developing local markets, as well as contributing to a Pacific Organic image for export marketing.

DEVELOPMENT OF ASIAN REGIONAL ORGANIC STANDARD (AROS)

Ms. LARA VIVAS

BUREAU OF AGRICULTURE AND FISHERIES PRODUCT STANDARDS
Department of Agriculture, Philippines



SPEAKER'S BIO

Ms. Lara Vivas has a B.S. in Food Technology from the University of the Philippines and currently works as a Senior Science Research Specialist for the Bureau of Agriculture and Fisheries Product Standards of the Department of Agriculture in the Philippines. She has been a member of the International Task Force on Harmonization and Equivalence for Organic Agriculture (ITF) and was a recipient of the SIDA International Training Course on Organic Agriculture Development in 2009. Ms. Vivas is also part of the drafting group for the Asian Regional Organic Standards (AROS).

PRESENTATION

This is a very exciting time for the Region. Though the work for the AROS started in 2010, its approval is technically “very fresh off the mill”. In my task today however, I will not discuss the details of the provisions of the AROS, but rather focus on sharing the development experience and plans on moving forward.

Consistent with the aim of the International Task Force on Harmonization and Equivalence for Organic Agriculture Standards (ITF) and GOMA, to facilitate trade of organic products, the Vision of the AROS is (a) to be inclusive of all or most countries in the East, South-East and South Asia regions and be based on common regional requirements; and (b) that the standard can be adopted or adapted as a national standard, particularly by countries that have not yet developed and promulgated their own standard.

Initiating the work on a harmonized standard for the Asian region was viewed as a means to open the door for recognition of organic systems among governments. Thus, the AROS is seen as a standard that can be adopted or adapted in the region for the primary reason that it is based on Common Regional Requirements.

By having a harmonized standard in the region, the AROS aims to meet the following objectives: (a) facilitate intra and inter-regional market access of organic products in the Asian Region; (b) promote regional cooperation and exchange of information and enhance private and public sector dialogues; and (c) to promote the global recognition of the regional standards as long-term goal.

Initiating work on the AROS was not without its highs and lows since Asia has a lot of flavors, having big and small countries, “advanced” versus just starting, and regulating versus non-regulating countries. By laying down a proper framework and action plan for the region, the GOMA Asia Working Group avoided confusion and conflicts among the countries in Asia. In a nutshell, the development process can be divided into three critical steps, namely:

- Conceptualization stage. The GOMA Working Group for Asia was established to develop

a comprehensive framework for cooperation in the region on organic labeling and trade;

- Drafting of the AROS. As one of the identified strategies for cooperation, development of the AROS was agreed on and a drafting group was established. The drafting group agreed on the scope, strategy and mechanism for the draft, and consultative meetings to finalize the AROS. Although the approval of the AROS can be viewed as a milestone for the Region, much is still needed and required for its successful implementation and use in each country. Thus, the last part of the process is the most important step in achieving the aims and objectives of the GOMA project;
- Implementation plans. Upon approval of the AROS, sustainable and achievable strategies to were considered. The GOMA working group discussed the future plans for ownership of the AROS, including implementation mechanisms to ensure that the AROS becomes relevant and enforceable within each country and the region.

In the first step of the development process, the GOMA Working Group for Asia needed to answer the question on “WHAT CAN BE DONE TO CREATE RECOGNITION?”. To answer the question, the Working Group came up with a mapping concept for the framework for cooperation. The elements for recognition among countries were identified to be (a) harmonization or equivalence for standards on organic agriculture; (b) harmonization or equivalence for organic certification requirements; (c) supervision of control as part of a recognition agreement, exploring a system for supervision that ensures trust among partners; and (d) further cooperation on certification and accreditation that may include parties outside the region.

To facilitate harmonization and equivalence on standards and certification requirements, the Working Group agreed to use the ITF tools for facilitating and assessing equivalence namely the EquiTool and IROCB. The Working Group also discussed possibilities on establishing pathways for multi-lateral agreements among countries to facilitate further cooperation on certification and accreditation.

After the framework was agreed upon, the AROS Drafting Group was established. The Drafting group was guided by the following principles:

- That representation should be inclusive of all or most countries in the East, South-East and South Asia regions;
- That the AROS shall be developed through a highly participative process involving public and private sector representation and in-country consultations are conducted;
- That the AROS is based on COMMON REGIONAL REQUIREMENTS.

The group agreed to use the EquiTool Annex on the Common Objectives and Requirements for Organic Standards (COROS). The COROS was chosen as the baseline for the comparison of organic standards based on the recommendations of the “Study and Recommendations for Developing Regional Organic Standards in Asia” by Mr. Vitoon Panyakul of ACT Thailand. The results of the study indicated that there is overall alignment of most of the country standards with the COROS, thus additional objectives and requirements are not needed.

The approved AROS describes the requirements for organic production. It covers plant (including mushroom) production, collection of wild products and also the processing and labeling of products derived from these activities. The standard does not cover procedures for verification, such as inspection or certification of products.

The development of the AROS is primarily based on meeting the relevant COROS OBJECTIVES, that is, provisions in the AROS meets the reference objectives. Although the details of the

AROS may vary with the COROS, common objectives and baseline requirements are met. Thus, by using an objectives-based approach, line-by-line judgment is avoided.

Overall, the provisions of the AROS are consistent with international requirements. However, as a regional standard that takes into account the agro-ecological conditions in ASIA. Specifically, the AROS provides for a shorter conversion period than what is set in the usual international norms.

The success of the AROS is not measured by its approval alone, but rather in its implementation and adoption in each Asian country. Thus, the GOMA Asia Working Group agreed to recommend to the Governments in Asia the following:

- That the AROS be used and adopted, with the recognition that its use shall facilitate intra-regional trade of organic products;
- In line with the use of the AROS, the Working Group and its members are pushing for its adoption in the ASEAN and also moving forward in exploring parallel work with the SAARC; and
- In moving forward, the Working Group expresses its support for the use of GOMA tools in line with harmonization and equivalence and ITF initiatives such as cooperation on inspection and certification.

In closing, the AROS and its development chronicle the success story of private-public partnership. The next challenges for the adoption of the AROS and its successful implementation shall also be conquered through SUSTAINED PARTNERSHIPS.

HOW ORGANIC PRODUCERS FROM THE SOUTH CAN GET BETTER MARKET ACCESS IN DEVELOPED COUNTRIES

MR. JAVIER HURTADO MERCADO

IRUPANA, ANDEAN ORGANIC FOOD S.A.



SPEAKER'S BIO

- Pioneer of the organic movement since 1985 in Bolivia
- Founder of “Irupana Alimentos Naturales”, a private initiative to develop markets for the small Indian farmers of Bolivia whose production has been organic since ancient times
- Political activist of the Bolivian left and indigenous movement since 1976 (jailed and exiled to Germany in 1980)
- Ph.D. in Sociology at the *Latein Amerika Institut* of the *Freie Universität* Berlin, 1984
- Minister of Industry and Senator under the current President Evo Morales 2008-2010 (Resignation May 2010)
- Distinguished as a Social Entrepreneur by the Schwab Foundation of the World Economic Forum 2000-07
- President / Executive Director of the Irupana Andean Organic Food S. A.

PRESENTATION

Developing countries and smallholders committed to organic production and trade are repeating the old story of unequal exchange in conventional capitalist markets.

This also creates an environmental problem, because maintaining the expensive transport of raw materials causes more pollution through carbon emissions from ships, trucks, airplanes, trains and other means of transport. Besides, not permitting the industrial transformation of those raw materials into high added-value products, means a lack of stable employment for the population in those developing countries. Even fair-trade prices do not compensate for this failure of the market.

The major obstacles to a *truly* fair exchange between developing and developed countries are:

1. Trade conditions and agreements, protectionist laws, tariffs, taxes and licenses of import and trade.
2. The fact that quality standards of production in developing countries are not at the level demanded in developed countries.
3. The lack of suitable technology to develop a more complex food industry of ready products in developing countries.
4. The lack of responsible investors to fund this type of social entrepreneurship.

Our local and regional markets are more suitable for small organic niche markets and natural non-certified products. There needs to be a greater importance placed on state subsidies for healthy food consumption in the middle class and poorer population.

How can international cooperation help to improve this market access?

A combination of technical skills programs and political awareness and movements are needed.

DEVELOPING ORGANIC TRADE IN ASIA: THE CHALLENGES

MR. VITON PANYAKUL

GREENNET

SPEAKER'S BIO

Vitton R. Panyakul has been working with the Thai organic movement since 1991. During his first few years, he worked as a researcher for the Local Development Institute, responsible for developing a national organic agriculture program. In 1994, Vitton with his colleagues started Green Net Coop, the first national organic and fair-trade food distributor and exporter, where he served as Executive Director until 2002. In 2000, he founded the Earth Net Foundation, a national non-profit organization working to promote organic and fair-trade development in the region where he serves as the Director of Organic Agriculture Programme up until now. Since 2002, he has been working as a partner consultant with Grolink, an international consultancy service based in Sweden, where he has begun to work extensively with local groups in Asia to provide technical assistance to their organic and fair-trade projects.



In 1995, Vitton got involved with the establishment of the national Organic Agriculture Certification Thailand (ACT), the first local certification body in the country, and served as the ACT General Manager until December 1999. In 1999, Vitton joined the International Organic Accreditation Service, an international accreditation body set up by IFOAM. Currently, he is the member of the Board of Directors and Accreditation Committee of the IOAS.

Vitton is also involved in national organic movement where he help to found the Thai Organic Trader Association (TOTA) in 2006 and served as the TOTA General Secretary. In 2011, he was elected as the TOTA Chairperson.

PRESENTATION

- Organic agriculture developments in Asia are market-driven and mostly export-oriented with the exception of industrialized food importing countries, such as Japan, Korea, Singapore and Malaysia.
- During the initial growth period, local organic markets were slow to develop. But now, the markets are expanding quite rapidly due to increasing health concerns (especially driven by food scandals).
- Regional cooperation started over 10 years ago in the private sectors, first among indigenous certification bodies and later among organic trader associations. Such cooperation has helped to build competencies among local CBs and provides market access mainly outside the region, as well as within the region, especially when stronger cooperation between national organic trader associations is developed.
- National and regional markets could be further developed if more efficient extension mechanisms were developed to support small-scale farmer conversion as grower groups together with effective supply chain management. Local enterprises interested in organizing organic projects need comprehensive incubation programs with 6-12

months of coaching support, not 2-3 day seminars.

- Local market promotions are to be organized in a more professional manner, starting from analysis of consumer perception and knowledge gap, developing clear and unified messages, integrated communication channels, and a more long-term approach, and taking into consideration supply conditions. Market promotion can be better managed by national trader associations.
- A single organic seal within the country or region would make market promotion easier. A single seal can be based on harmonized national or private standards, or equivalent recognition of various national standards.

DEVELOPING COUNTRIES AND WORLD ORGANIC MARKET: THE OPPORTUNITY FOR AFRICA

MR. MOSES MUWANGA

NOGAMU

SPEAKER'S BIO

Mr. Muwanga is the Chief Executive Officer and one of the founding members of the National Organic Agricultural Movement of Uganda (NOGAMU). He holds a Master's Degree in Post-harvest Horticulture from the Natural Resources Institute (NRI) of the University of Greenwich, United Kingdom, a Master's Degree in Management Studies from the Uganda Management Institute, Kampala, Uganda, and a Bachelor of Science Degree in Agriculture from Makerere University, Kampala, Uganda. Mr. Muwanga has more than 15 years' experience in the organic and horticultural production and export industry; he has worked with and provided business support services to smallholder producers and exporters in the organic and horticultural sectors in Uganda and the rest of East Africa. His experience encompasses: farmer mobilization and organisation for collective marketing, Food Safety and designing post-harvest handling and marketing systems for organic and horticultural export schemes, developing customized Internal Control Systems in Out-grower schemes and cooperatives for Organic and other quality systems, as well as development of standards, value chain development and overall promotion and marketing of organic and horticultural products from Africa. Mr. Muwanga has also assisted and offered advice in the setting up and strengthening of other National Organic Movements (NOAMs) in a number of African countries.



PRESENTATION

The last 10 years has witnessed commendable growth in the trade of organic products from Africa. This has been attributed to the overall increase in global demand for organic products, but also the ecological suitability for organic production that Africa has. In countries like Uganda, exports alone in organic products have increased by almost 1100% in the last 8 years, from under US\$ 3 million in 2002, to over US\$ 37 million by the end of 2010. A similar trend is visible in many other African countries. The contribution of Africa to international organic trade could have been much higher than it is today, but despite the natural comparative advantage Africa has for organic production, several limitations/challenges still remain. These include, but are not limited to:

- The scattered nature of African smallholder farmers, who constitute more than 90% of the farming communities
- Smallholder farmers' and other operators' limited capacity to comply with national, regional and international standards in the market
- Insufficient financing both at production, processing and trade levels, which hinders the desired response to demand coming from the markets

These factors are coupled with the limited cooperation among African countries in addressing the common challenges, further compounding the problem. The development of the East Afri-

can Organic Products Standards (EAOPS) in 2007 as a public private process ignited new efforts in bringing African stakeholders together in addressing market access challenges. In the East African region for example, the common standard and a common mark have eased the flow of products across borders and opened up a whole set of new opportunities for trade within the region. Moreover, there is now hope for a more firm discussion between the region and other trading blocks like the EU.

Addressing the challenges and exploring growing opportunities to stimulate and develop national and regional markets will require:

- Mobilizing and consolidating smallholder farmers for collective marketing to generate volumes and manage quality;
- Building on the cooperation laid by the development of the EAOPS and other sub-regional standards to consolidate the platform for increasing the capacity of smallholder producers and other operators to comply to standards and increase the flow of goods between regional borders;
- Improving access to trade and investment financing to stimulate scaling up of existing capacity and respond to increasing demand from the market.

ENHANCING COOPERATION

PUBLIC-PRIVATE COOPERATION TO FACILITATE MULTILATERAL EQUIVALENCE

MR. MARKUS ARBENZ

IFOAM EXECUTIVE DIRECTOR

SPEAKER'S BIO

Before joining IFOAM in August 2009 as Executive Director, Markus Arbenz worked as the Director of Bio Suisse, the Federation of the Swiss Organic Farmers. He has six years of experience in Bhutan, Kyrgyzstan and Afghanistan with Helvetas, in collaboration with the Swiss and local Governments, the World Bank and IFAD (The International Fund for Agricultural Development). Prior to that, M. Arbenz was Director of the Foundation Pro Specie Rara for the safeguard of domestic animal and plant genetic resources.





That's Organic - Worldwide.

<p>GLOBAL</p> <p>IFOAM IFOAM Standard International Standard for Forest Garden Products (FGP)</p>	<p>Japan Organic Regulation</p> <p>OFDC Organic Certification Standard, China Hong Kong Organic Resource Center Standard, Hong Kong IBOAA Organic Agriculture Standard, Israel Japan Organic & Natural Foods Association Organic Standard, Japan MASIPAG Organic Standards, The Philippines CONU Organic Standard, South Korea DCOK, LLC International Standards, South Korea GOAA International Standards, South Korea ACT Basic Standard, Thailand Vietnam PGS Standards, Vietnam</p>	<p>EUROPE</p> <p>EU Organic Regulation Switzerland Organic Regulation Turkey Organic Regulation</p> <p>Bio Suisse Standards, Switzerland</p> <p>Organska Kontrola Standards for production and processing, Bosnia and Herzegovina Biocyclic Standards, Cyprus Nature & Progrès Standards, France BioPark Guidelines for Organic Production and Processing, Germany Ecoland Standards for Organic Agriculture and Food Production, Germany Ecowellness Standard, Germany Gäa Private Standards, Germany Naturland Standards, Germany CCPB Global Standard, Italy Italian Organic Standard, Italy Krav Standards, Sweden</p>	<p>LETIS IFOAM Standard, Argentina OIA Organic Standards, Argentina Bolcert Organic Standard for Production and Handling, Bolivia Guidelines for the IBD Quality Organic Standard, Brazil</p>
<p>AFRICA</p> <p>Tunisia Organic Regulation East African Organic Products Standard EnCert Organic Standards, Kenya Basic Norms of Organic Agriculture in Senegal, Senegal Afrisco Standards for Organic Production, South Africa Siyavuna Organic Standards, South Africa Organic Standards for Tancert, Tanzania Uganda Organic Standard, Uganda</p>	<p>OCEANIA</p> <p>National Standard for Organic and Bio-Dynamic Produce, Australia</p> <p>New Zealand Organic Export Regulation Pacific Organic Standard, Pacific Community Australian Certified Organic Standard, Australia NASAA Organic Standard, Australia AsureQuality Organic Standard, New Zealand BioGro Organic Standards, New Zealand</p>	<p>SOUTH AMERICA</p> <p>Argentina Organic Regulation Costa Rica Organic Regulation Argencert Organic Standard, Argentina</p>	<p>NORTH AMERICA</p> <p>Canada Organic Regulation USA Organic Regulation DOAM Organic Standards, Dominica Red Mexicana de Tianguis y Mercados Orgánicos Standard, Mexico CCOF Global Market Access Standard, USA Farm Verified Organic Requirements Manual, USA NOFA Standards for Organic Land Care, USA QCS Int. Program Standard Manual, USA</p>

Note: Applicant standards are marked in grey. Family Standards Frame: April 20, 2012.

THE FAMILY OF STANDARDS contains all standards officially endorsed as organic by the Organic Movement, based on their equivalence with the Common Objectives and Requirements of Organic Standards. Both private standards and government regulations are admissible.

www.ifoam.org/ogs

PRESENTATION

The world of organic standards and verification systems has become very complex – so complex that there is, to date, no comprehensive overview available. We know that there are certainly more than 100 organic standards in the world, used for organic certification. The number of certification bodies delivering organic certification is more than 500, and there is an ever-

increasing number of government organic regulations (currently around 60), many of which have started to require accreditation of all CBs (whether for domestic certification or imports) to their own program. The various pieces of this global organic guarantee puzzle are shared between the private sector and governments. Governments develop regulations and run most accreditation programs, while most certifiers and many organic standards and labels are privately run. The only two existing international organic accreditation programs (Global Organic System Accreditation and IFOAM accreditation) are also run by the private sector. It is therefore evident that efforts of harmonization and equivalence must involve public-private cooperation. This has been recognized and promoted for many years by the ITF and then the GOMA project.

IFOAM has recently set up the first scheme intended to become the comprehensive overview of organic standards globally: the IFOAM Family of Standards. The Family contains both government regulations and private standards. All standards in the Family are assessed against one single international reference: the COROS (Common Objectives and Requirements of Organic Standards). Assessments are available to the public. Assessments are done only once and can be used by all to fast-track their unilateral or bilateral equivalence decisions. But more importantly, this system provides the first ever framework for multilateral equivalence of standards available for both governments and the private sector. So far, equivalence has been approached at the government level through unilateral and bilateral agreements only, both of which have shown their limitations. With the right framework in place, there is now tremendous potential to scale up equivalence through a multilateral approach, with a vision of finally achieving regulated but streamlined market access for organic products globally.

On the verification side, an efficient equivalence approach is also required. The challenge is that, unlike for standards, there is no international mechanism yet to officially assess the quality and credibility of the various organic accreditation schemes. Some governments are currently forced to conduct their own analysis of other systems that they wish to recognize as equivalent, and this takes a lot of resources without necessarily generating full confidence. The organic movement has set-up through IFOAM an international organic accreditation program that has demonstrated its competence and relevance for 20 years now. Recently, this accreditation program was broadened by the creation of the Global Organic System Accreditation (GOSA), where the focus of assessment by the IOAS is placed on verification procedures only, and no longer restricted to CBs owning certain private standards. This means that the GOSA can now be applied to CBs certifying against government regulations. With its international relevance, GOSA can become another tool for governments to grant equivalence to foreign CBs, with a guarantee that they are properly supervised and without the need to review all other government accreditation requirements and systems.

In short, IFOAM has created the tools to facilitate implementation of its long-term vision: a world of organic guarantee where each product needs only to be certified against one credible organic standard, by one credible certifier, to be globally recognized as an organic product. Challenges to implementation and uptake now include raising awareness and educating the private and public sectors about the existence of the tools.

SYSTEMS OF REGIONAL COOPERATION

MR. ONG KUNG WAI

HUMUS CONSULTANCY

SPEAKER'S BIO

Besides his work as GroLink consultant and trainer, Kung Wai is Chairperson of Organic Alliance Malaysia, a membership based organization. Also Coordinator of Certification Alliance (CertAll), a collaboration of 10 certification bodies working in Asia. He was Commission Editor of The Organic Standard, a journal on organic standards, certification, accreditation and regulations for 7 years.

After working with the International Organic Accreditation Service (IOAS) from 1996 to 2005, as a Board member and Vice President, Kung Wai joined the World Board of the International Federation of Organic Agriculture Movements (IFOAM) from 2005 to 2011. He represents IFOAM in the Steering Committee of GOMA.



PRESENTATION

Should every country and territory require compliance to their respective organic standards to trade within their borders, making regulatory authorities face the daunting task of negotiating recognition agreements with as many countries and territories as their operators would like to import from or export to? This is mission impossible.

Regional collaboration leading to harmonization and/or equivalence in standards and conformity assessment systems is seen as a way forward, as exemplified by the existence of the East African Organic Product Standards, the Pacific Organic Standard and the Central American common regulatory framework. The Asian Regional Organic Standard and multilateral recognition initiative is a work in progress.

The EU organic regulation, the first of its kind, sets an example for regional framework and recognition agreements with third countries. The EU regulation influenced development of organic regulations elsewhere for countries to negotiate market access to the EU. Besides fostering cooperation and efficiency, the Central American countries developed their harmonized regional organic standard and regulatory framework with the aim of placing themselves in a more favorable position to develop equivalence with the EU and USA.

Does regionalism present a pathway for a global solution? Use of existing regional platforms and trade agreements is certainly helpful to the process. Nevertheless, finding consensus within regions and with parties outside a region will remain challenging, especially in light of the varied states of development that may exist even within a region, e.g. countries and territories, represented in the GOMA Asia Working Group.

While export to the EU and USA remains the driver of transition to organic management in the majority of developing countries in Asia, domestic markets have taken off in big cities in the region. Market growth is dependent on the import of ingredients and finished products not available locally or regionally. Development of organic production and labeling regulations, as well as regional collaboration, have to support domestic, regional development as well as facilitate international trade. In addition to adopting the EquiTool and IROCB as a basis for

equivalence of standards and conformity assessment requirements, the Asia Working Group should take an inclusive approach to regional collaboration that can also cover arrangements for trade with parties outside the region. Specifically, it is recommended that:

- a. Countries and territories where there is government supervision and/or certification but no formal accreditation may be a party to the regional recognition agreement based on peer review confirming effective implementation of certification and/or supervision, monitoring and enforcement activities.
- b. ISO 17011 be adopted as reference norm for recognition of accreditation competence where applicable.
- c. Peer review may be waived or reduced based on submission and acceptance of results of other similar peer review reports.

Imports from countries and territories not party to the regional recognition agreement may be accepted based on the following:

- i. Certification under the supervision of a competent authority/accreditation body, party to the regional agreement.
- ii. Certification under supervision of a competent authority/accreditation body not party to the regional agreement but deemed equivalent by parties to the regional agreement.
- iii. Certification under direct supervision/accreditation of a joint committee established by parties to the regional agreement (long-term option).

HOW GLOBAL ORGANIC MARKET ACCESS CAN BE ACCOMPLISHED

Ms. SOPHIA TWAROG

ECONOMIC AFFAIRS OFFICER, UNCTAD

SPEAKER'S BIO

Sophia Twarog has a Ph.D. in economics from Ohio State University. She has been working for the United Nations Conference on Trade and Development (UNCTAD) since 1993. The past 13 years she has worked on issues at the interface of trade, environment and development, including harnessing traditional knowledge for development and promoting production and trade in environmentally preferable products including organic agriculture. She has been particularly active in East Africa where she supported the development of the East African Organic Products Standard and work on removing technical barriers to trade in organic products through cooperation with FAO, IFOAM and UNEP. She is a member of the GOMA Steering Committee.



PRESENTATION

Global Organic Market Access can be achieved through commitment and concerted action towards a common goal: a vibrant global organic sector benefitting ever-increasing numbers of consumers, producers, other operators, and the natural environment. Organic production systems would meet key common objectives of organic systems and also be tailored to the local environmental, social and cultural conditions. Trade across systems would be based on harmonization and mutual recognition of standards and conformity assessment systems, using the Equitool and COROS for assessing standards and the IROCB to give the same level of confidence to consumers everywhere on integrity of the organic products.

We have seen great steps in this direction. Regional groups are creating common standards and regulations to facilitate intra-regional trade. It is critically important that these regional blocks are in turn open to inflows and outflows of organic products from other regions. Imports are needed to grow organic markets. Governments wishing to support their organic producers have dozens of much more effective ways of doing so than resorting to technical trade barriers, keeping others out. The UNCTAD-UNEP Best Practices for Organic Policy study has a long list, including extension services, research, education, market development and procurement.

Major markets—the United States, Canada, the European Union and Japan—have been putting the concept of equivalency into practice. The EU regulation fully incorporates equivalency into its system for approving organic imports. The US and Canada signed a landmark equivalency agreement with full system recognition including imports from third parties. The latter point is important to include in bilateral agreements so that they create rather than divert organic trade.

IFOAM is moving away from a compliance model to a family of standards based on the COROS. Public and private sector organic guarantee system regulators can make use of these assessments to facilitate their own decisions.

The burden of regulating and checking can be shared through transparency, cooperation, embracing diversity, and trust. The world needs a mountain of organic products, not a mountain of duplicative paperwork. Let us work together to let the good products grow and flow.

EMERGING ISSUES

EXPANDING THE SCOPE OF ORGANIC?

MR. BAVO VAN DEN IDSERT

DUTCH ASSOCIATION OF ORGANIC PRODUCERS AND TRADERS

SPEAKER'S BIO

Since early 2011 Bavo van den Idsert has been the director of Bionext, the new Dutch chain-organization for sustainable, organic farming, trading, processing, retailing and consuming. Before joining Bionext Bavo van den Idsert was a consultant for the organic trading, processing and retailing associations VBP and PBS. For VBP he established the BOKAP residue-monitoring system.



The most important members of Bionext are the farmer-organization BioHuis (representing organic farmers), the processing-association VBP (representing organic traders and processors) and organic retailers. One of the key projects of Bionext is to establish a new multi-sustainable assessment system for organic farmers, processors and retailers.

Bavo van den Idsert is Vice President of the IFOAM EU Group.

PRESENTATION

Whether to expand is no longer the question. The scope of organic will be expanded in the coming years - that is for sure. Some of us have already started, like the Soil Association, Ecosocial (IBD) and Krav. The real question is: how far will the scope extend and how ambitious can the organic sector become with regard to all sustainability topics that pop up? The conventional agri-food industry is seriously orientating on sustainability topics. In 2011 the Sustainability Consortium, started by Walmart in 2009, came from the US to the EU, and is now joined by many multinationals. The EU Commission is working on different single sustainability issues, like animal welfare and Eco labeling. And new legislative attempts for single sustainability topics will follow.

Organic food and farming was started as a multifunctional sustainability system and in fact still is, but organic legislation does not demand sustainability in all directions. Social sustainability, energy use and carbon-reduction, for example, are not within the scope of organic regulation. But they are part of the basic principles of organic agriculture, and many organic companies deliver in this regard.

Because of the slow process of changing or renewing legislation, a new era for private initiatives from the organic sector can be expected. This is because the consumer expects organic to be climate and energy-friendly, socially ethical, protective of biodiversity and healthy.

The organic movement needs to establish new creative tools that guide organic farmers, traders, processors and retailers to reinforce the basic principles of IFOAM into daily practice and strengthen organic as the most integral sustainability food and farming-system. How are we going to achieve this? That's the question I would like to discuss with you.

DIFFERENT WAYS OF WORKING TOWARDS THE GOALS OF ORGANIC AGRICULTURE

MS. SUSANNE PADEL

ORGANIC RESEARCH CENTRE ELM FARM UK

SPEAKER'S BIO

Susanne Padel is principal researcher and team leader for socio-economic and policy at Organic Research Centre – Elm Farm (ORC) in the UK. Organic Research Centre – Elm Farm is a registered charity, whose business is to develop and support sustainable land-use, agriculture and food systems, primarily within local economies, which build on organic/agro-ecological principles to ensure the health and well-being of soil, plant, animal, people and our environment. The socio-economic work of ORC covers profitability of organic farms, standards and certification systems, as well as consumer attitudes to organic products, including willingness to pay, policy support payments and public benefits of organic farming.



After six years of working as an advisor for organic and converting farms in northern Germany, followed by a 10-month study period in New Zealand, Susanne began work as a researcher at Aberystwyth University. There she was working on a number of mainly EU-funded projects related to socio-economic aspects of organic farming before joining ORC in 2009. She holds a degree in agriculture from the University of Kassel, Witzenhausen and a Ph.D. in agricultural economics from Aberystwyth University.

PRESENTATION

This paper explores which goals of organic agriculture are covered by standards/certification, which ones are more problematic in this way and what alternatives might exist. The main goals of organic agriculture can be derived from the four IFOAM Principles of Organic Farming of Health, Ecology, Fairness and Care. The presentation will examine which values are and which are not well reflected in current organic standards and organic farming practice in Europe. Certification, based on clear (and legally defined) standards is the basis for the guarantee that an organic label gives to consumers. However, many standards do not clearly state the values on which they are based, and consumers who do not read the standards may have other expectations. The rules on which certification is based mainly refer to prohibiting specific inputs is prohibited (e.g. no synthetic N, no herbicides), not passing certain thresholds (e.g. less than 175 kg N added through brought-in manure) and specific practices that are prohibited (e.g. battery cages) or desired (e.g. animals should have access to pasture) with various penalties (up to full loss of certification). Further achievement is not rewarded and thus not encouraged. The process of formalizing standards and certification has resulted in a system that has little flexibility to respond to specific conditions of an operator, and inspectors are not allowed to give much guidance to the operator. So, can the system ensure that important goals of organic agriculture are met and respond to new challenges and values that are important to consumers?

However, working towards fulfilling the main goals of organic agriculture is easier said than done. The main reason that standards have focused on certain areas is straightforward: these factors are easy to codify and to audit (e.g. checking for use/not use of specific inputs). The values that have not been translated into rules are far more diffi-

cult to audit. This includes aspects of environmental impact and localness expressed in the principles of ecology and animal welfare and social issues expressed in the principle of fairness. Developing auditing criteria tools that are relevant to producers in various countries that are not too time consuming to audit but are nevertheless meaningful is very difficult. The paper will explore other ways in which the progression towards certain goals can be encouraged, based on two examples from recent work of Organic Research Centre related to animal welfare and evaluating sustainability. It concludes that it remains very important that any new developments involve organic operators from the start. It is important to raise awareness of the main goals of organic agriculture among operators, to 'translate' aspects of these goals into practices and objectives that are relevant and suitable to the specific circumstances and to carry out a monitoring system to track how well achievements towards these goals have been made.

KEEPING UP WITH EVER INCREASING REQUIREMENTS: CAN WE? SHOULD WE?

MR. THILAK KARIYAWASAM

LANKA ORGANIC AGRICULTURE MOVEMENT, SRI LANKA

SPEAKER'S BIO

Thilak Kariyawasam, former Coordinator of the Sri Lanka Nature Forum, has been the President of the LOAM since 2009. He wears many hats with regard to social, agricultural and environment topics. Thilak is one of board members of the National Organic Control Authority (NOCA). At SriCert, a local certification body, he serves as Managing Director. He has managed several publications on varied subjects. Thilak is also member of the Asian Regional Organic Standard (AROS) drafting group under the GOMA project.



PRESENTATION

The Zero Draft of the Rio+20 document says: *“The transformation to a green economy should be an opportunity to all countries and a threat to none. We therefore resolve that international efforts to help countries build a green economy in the context of sustainable development and poverty eradication must not create new trade barriers.”*

In reality, many sustainability standards threaten to create such barriers. It is not only the requirements themselves that are difficult, but also documentation and the multitude of standards whose requirements are constantly changing.

At the international level countries are talking about how to recognize each other's organic products for trade. But to what degree are farmers taken into consideration? What are the challenges they are facing to get certification? Many market players are asking for different standards and labels, and it is very complicated for farmers to adapt to all the requirements – and to the constant changes in requirements. Of course, farmers have to follow reasonable standards and certification procedures, but the complexity of the systems and the many different systems, even within organic, pose major challenges.

One of the main requirements for certification is documentation. But most farmers in the world are not used to keeping records and may not be able to do it. Instead of forcing farmers into systems they do not see the value of, certification bodies can use technological solutions for these kinds of problems. For example, to get evidence they can use video clips, GIS (geographic information systems) and photos rather than documents. Instead of insisting on maps, the inspectors can use GPS on the first visit. Other problems that farmers may experience are related to the lack of technical know-how, land and/or other titles, or written agreements.

Another challenge arises from the fact that EU and NOP standards are based on the conditions in their respective regions. Farmers residing in the US or the EU have opportunities to comment on and influence the standards and their revisions. But those who are producing their products under EU or NOP standards in other parts of the world do not have the same chance.

The solution lies in acknowledging that conditions are distinct in the world and that solutions and standards therefore also have to be different. Through increased recognition of each other's systems based on equivalence, producers in all countries can employ systems fit for their capacity and their conditions.

REPORT ON RECENT CHANGES OF CHINESE NATIONAL ORGANIC STANDARD AND ORGANIC CERTIFICATION RULES

MR. JIAN TANG

ORGANIC FOOD DEVELOPMENT AND CERTIFICATION CENTER CHINA (OFDC)

SPEAKER'S BIO

Jian Tang is a Project Manager and Inspector for the Organic Food Development and Certification Center of China, (OFDC), since 2009. He also served as Inspector for the Organic Crop Improvement Association, OCIA international, from 2007 to 2009. His education and training includes IFOAM Training of Trainers on Organic Agriculture in Nanjing Agriculture University in 2008. He holds a masters degree in of Wildlife Conservation and bachelor degree in Animal Science.



PRESENTATION

In China, crises (scandals have) occurred in the past few months in the organic sector (crabs in Hong Kong, vegetables in Shandong, etc.). The premier and vice premier of China asked organic sector to take a serious action on disciplining of the organic sector, especially organic certification.

On the other hand the consumers in China are putting too much pressure on organic sector, as they think only organic products can solve the food safety problems. Thus, to improve the safety of all food in China is an important task for the whole food sector not just for organic sector.

It could be concluded that the organic certification supervision system of China is the strictest system in the world now. The new version of China National Organic Product Standard and the Rules on Organic Certification will come into effect from March 1 of 2012. All Chinese registered organic inspectors (about 1000 inspectors) participated in national training workshops in January 2012 on the new versions of national organic standard and certification rules. The trainings were conducted in Beijing, Hangzhou and Qingdao separately. Examinations were conducted to all inspectors. The inspectors who cannot pass through the examination will not be able to be re-registered.

All organic certification bodies are now actively organizing trainings to their clients (producers, processors and traders). It is predicted that quite a few of the organic operators will withdraw from organic certification. It could be expected that PGS and CSA will be more popular in China owing to the stricter supervision and requirements on organic certification and the increasing of certification costs. It is realistic now to promote PGS and CSA in China. PGS is just in its primary stage, while CSA is getting much popular in China these days.

For importing organic products to China, the changes in China indicate that it is better to enhance the negotiations with Chinese authorities on bilateral or multilateral recognition. Presently, it seems that this is the only way to promote trade between Chinese and other countries.

EMERGING ORGANIC MARKETS AND TRADE

Ms. P.V.S.M. GOURI

AGRICULTURAL AND PROCESSED FOOD PRODUCTS EXPORT
DEVELOPMENT AUTHORITY, INDIA



SPEAKER'S BIO

Dr. P V S M Gouri has a Ph.D. in Life Sciences and is working as a consultant with the Agricultural and Processed Products Export Development Authority (APEDA) and as an Advisor to the National Accreditation Body (NAB).

Her diverse fields of work experience include: standards setting, implementation of ISO 17011 at APEDA, assessment of certification bodies for accreditation according to ISO 65 and their surveillance, development and implementation of the web-based traceability system Tracenet, capacity building of CBs, and work related to equivalence with major importing countries.

She has been an active member of the International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF) and the Global Market Access Project (GOMA) of FAO/UNCTAD/IFOAM, contributing to their mission of promoting trade in organic products through harmonization of standards and the assessment of equivalence between countries.

PRESENTATION

With the aims of establishing the sustainability of small farmers, preserving biodiversity and meeting consumer demand for organic products, the government of India is actively promoting organic farming on a large scale. One of its major goals is to achieve an organic farming area of five million ha. in the coming years. The Indian government is encouraging small farmers to adopt PGS in small villages to prepare themselves for third-party certification (group certification) at a later stage to enter the mainstream market. This would enable organic stakeholders to participate more fully in the organic value chain. The Indian government has furthermore come up with several programs in capacity building, certification and infrastructure development to support small farmers.

The domestic market in India is steadily growing. Only 10% of the total organic production is exported; the rest is consumed domestically. The present domestic market is estimated at US\$ 543 million.

To promote the domestic market, the NPOP (National Programme for Organic Production) has been implemented initially on a voluntary basis. However, it is likely to become mandatory soon. Indian regulation will facilitate import access in line with WTO requirements (i.e. with standards and procedures that are applicable to domestic products applying equally to imported products). To further accelerate market access, seeking equivalence among the importing and exporting countries and multilateral agreements will be the solution for future.

The standards of production in any country are based on the same objectives and principles of organic farming, however, with minor variations. If the Organic guarantee system is established and harmonized universally, there will be no barriers for market access of organic products in any part the world, provided there are no other SPS (sanitary and phytosanitary) measures applied by the importing countries.

ITF tools have covered the standards of production of organic products and standards for the control bodies, which are the most important elements in an organic guarantee system.

Hence, ITF tools can be used as the reference document specific for judging equivalence for trade in organic products between countries.

There is potential for the direct use of the ITF tools by countries at two stages:

- During drafting of standards
- For judging equivalence between countries
- For recognition of conformity assessment procedures.

ORGANIC AGRICULTURE IN BRAZIL

ROGÈRIO DIAS

MINISTRY OF AGRICULTURE – BRAZIL

SPEAKER'S BIO

Rogério Dias is a Federal Agriculture Inspector with Brazil's Ministry of Agriculture, Livestock and Supply, a position that he has held since 1982. At the Ministry he functions as Coordinator of Agroecology, and is responsible for all the Ministry's activities related to organic agriculture. An organic farmer since 1984, he is a founding member of the Ecological Agriculture Association, Brazil's first organization of organic producers.



PRESENTATION

The Brazilian organic production strategy has been based on stimulating growth in a balanced manner, on production and on national consumption. For this, we have implemented a number of public policies aimed at facilitating and stimulating producers to switch to organic agriculture, as well as raising consumers' awareness about the importance and benefit of the consumption of such products.

The export of organic products should be yet another possibility, not the only one, nor the main one. One of four main challenges is allowing access to organic products to the whole population, not only the rich. Governmental purchases are an important tool to socialize the access to organic products.

Our legislation used as a basis the Codex Alimentarius, and has sought to set up all technical regulations in close connection to the basic principles of organic agriculture. The regulations continue to be developed with a vast participation of the society and through their representatives in fora created for this purpose. These fora count today on the participation of over 600 public and private organizations that take part in the organic production network in the 27 units of the federation.

Brazilian legislation has determined for imports the same principles that the majority of countries impose on our own exports. In order to be sold as organic products in Brazil, imported products need to be in accordance with Brazilian legislation for organic production. Its certification can only be delivered by national or international conformity assessment entities, accredited by the Ministry of Agriculture. No accreditation is required of those organizations that are accredited by the official entities of countries with which Brazil has an equivalence or mutual recognition agreement of the conformity assessment systems for the organic sector.

In the framework of CIAO, the Interamerican Commission for Organic Agriculture, there already is a dialogue to seek harmonization and equivalence recognition between Chile, Argentina, Paraguay and Brazil.

Brazil plans on approving this year a National Policy on Agroecology and Organic Production as a way to structure and better manage the different initiatives of the public sector around organic. The Plan for 2012-2015 already contains over 30 initiatives, developed by 8 Ministries, and that contribute towards the promotion and development of organic agriculture in Brazil.

ENHANCING MARKET ACCESS

HOW DOMINANT MARKETS WORK TOWARDS MUTUAL RECOGNITION

MR. JEAN-FRANÇOIS HULOT

EUROPEAN COMMISSION

SPEAKER'S BIO

Jean-François Hulot is the Head of the Organic Farming Unit at the European Commission in Brussels, where he has been employed since 1985 working on everything from agricultural markets management to rural development. In his current post (since 2007) he is Chair of the Regulatory Committee, composed of representatives of the 27 EU Member States and responsible for EU regulations.

Over the past four years, Jean-François Hulot has ensured proper and timely revision of EU regulations, including expansions regarding yeast, aquaculture and wine, and he was central to the development of the new EU logo.

Convinced that equivalence must be the dominant concept behind organic trade, Jean-François Hulot has advocated for the recognition of the Japanese, Canadian and US standards by the EU. He also aims to have organic agriculture mainstreamed within the CAP (Common Agricultural Policy).

Jean-François was born in Bergerac, France in 1955. His academic background is in International Relations, Economy and Management, and Agronomy.



PRESENTATION

- The EU has a long and successful experience with equivalence.
- Equivalence recognition eliminates duplication of activities and increases global efficiency. Compliance is more costly for the exporters who have to bear the costs of certification imposed by the importing country. The EU gives priority to equivalence recognition of third countries or alternatively of control bodies.
- It is up to the exporting side to demonstrate equivalence with the EU regulation (reference to Codex guidelines). Equivalence recognition results from an analysis of regulations and control systems, which translates into EU law (lists).
- Consumer confidence is key to establishing win-win situations in trading organic products. The EU import certificate permits traceability of products and transfer of the guarantee attached to them. Electronic certification may help reduce the administrative burden in the future.
- Where countries have a sufficient administrative capacity, whether they are developed or developing/emerging countries, the EU aims at establishing reciprocal equivalence arrangements. Reciprocity means that imported products can bear the organic logo of the country of destination on their packaging without re-certification.

- Mutual recognition is seen as the preferred tool to enhance market access. The EU favors cooperation with non-EU countries with a view toward generalizing equivalence and fighting fraud. In the long-term, convergence of standards and reduction of variance help developing countries access market opportunities more easily.
- For the least developed countries, the door will remain open through the direct recognition of equivalence of control bodies, until administrative capacity can be built up at the governmental level.
- The development of organic farming relies on development policies and on the willingness of local actors in the developing countries. A weakening of standards would be counterproductive. Equivalence is the appropriate tool, since it takes into account structural, climatic and local conditions of organic production.

PROMOTING ORGANIC TRADE WHILE PROTECTING ORGANIC INTEGRITY

MR. MILES MCEVOY

USDA NOP
DEPUTY ADMINISTRATOR, NATIONAL ORGANIC PROGRAM
AGRICULTURAL MARKETING SERVICE



SPEAKER'S BIO

Miles McEvoy has worked in the field of organic agriculture for more than two decades. He has inspected hundreds of organic farms and processors, has led standards development in state and federal governments, and has been involved in many investigations and enforcement actions.

Mr. McEvoy received his Bachelor of Science and Bachelor of Arts degrees from the Evergreen State College and his Master's in Entomology from Cornell University. From 1988-2009 he led the Washington State Department of Agriculture's (WSDA) Organic Food Program, one of the nation's first state organic certification programs. In 2001, he helped establish the WSDA Small Farm and Direct Marketing Program. Mr. McEvoy helped establish the National Association of State Organic Programs (NASOP) in 1998 and served as NASOP president for many years.

As Deputy Administrator, Mr. McEvoy leads the three National Organic Program Divisions (Standards Division, Compliance and Enforcement Division, and Accreditation and International Activities Division) in protecting organic integrity from farm to market.

PRESENTATION

Since the implementation of the United States Department of Agriculture (USDA) organic regulations in 2002, the USDA National Organic Program's (NOP) responsibilities have grown significantly along with the global demand for organic products. One of the NOP's key roles is to oversee the 29 billion dollar organic industry in the United States from farm to market. Additionally, efforts to harmonize international organic standards have led to trade arrangements that facilitate organic trade around the globe. These arrangements create new market opportunities for organic products in local, regional, and global markets. Ensuring that organic claims are truthful and accurate is increasingly important to safeguard consumers, support organic trade and protect the integrity of the organic community.

Oversight of USDA-accredited certifying agents. Accreditation authorizes private, foreign, or state entities to certify organic farms or processing facilities. Certifying agents are accredited by the USDA and are located throughout the world. Certifying agents are responsible for ensuring that USDA organic products meet all organic standards. Accredited certifying agents must demonstrate the skills, knowledge, and capacity in order to receive accreditation. They are subject to a rigorous review of their quality system, certification procedures, and staffing during a pre-decisional onsite assessment. They undergo on-site assessments every 2.5 years to ensure compliance with the USDA organic regulations and the terms of their accreditation.

Oversight of USDA organic products. USDA organic certification allows a farm or processing facility—whether based in the United States or not—to sell, label, and represent their products

as organic in U.S. markets. All certified operations are required to develop Organic System Plans that describe their practices and how they will ensure compliance with the USDA organic regulations. These plans are approved by 93 USDA-accredited certifying agents around the world and verified during the operation's required annual on-site inspection. If violations are reported or detected, the operation is investigated by the certifying agent or USDA. Enforcement actions include cease and desist letters, financial penalties and the suspension or revocation of organic certification.

Oversight of products through organic trade arrangements. The NOP has recognition agreements with six governments including Denmark, the United Kingdom, Israel, Japan, New Zealand and Japan. Under recognition agreements, foreign governments accredit certifying agents in that country to the USDA organic standards. The United States also has an equivalence arrangement with Canada that allows organic products certified to the USDA organic or Canada Organic Regime standards to be labeled and sold in both countries as long as the terms of the arrangement are met. Before entering into these agreements, the NOP thoroughly evaluated the government's organic regulatory system. Every two years thereafter, the NOP conducts onsite reviews of the organic regulatory systems to ensure continual compliance with the arrangements.

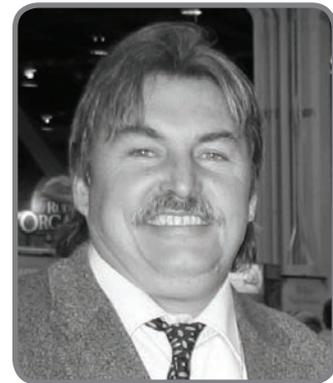
INTERNATIONAL ORGANIC EQUIVALENCY ARRANGEMENTS VS. TRADE FACILITATION

MR. MICHAEL R. SAUMUR

CANADIAN FOOD INSPECTION AGENCY

SPEAKER'S BIO

Michel has been a proud public servant for 29 years. Since November 2004, Michel has been leading the Organic Project and is now the National Manager for the Canada Organic Office. Before that and for 14 years, Michel was Chief of Imports for the Processed and Fresh Fruits and Vegetables Programs for the Canadian Food Inspection Agency. Prior to this position he was the Agriculture Canada National Program Auditor for Processed Products Establishment Inspection Program and before that a District Program Officer in Hamilton, Ontario.



He has a B. Sc. in Agronomy from Laval University and B.Sc. in Animal Physiology from Ottawa University. Michel has also ISO 10011 and HACCP Certification.

In his spare time, he raises sheep and donkeys and enjoys playing, coaching and watching hockey – especially when his two kids or the Ottawa Senators play.

PRESENTATION

The objectives in establishing a regulatory regime for organic products are to protect consumers against fraudulent and misleading claims, to create a level playing field within the industry for imported and domestic products and to facilitate market access.

The most effective way to ensure the organic integrity of imported products is to ensure controls are in place at the origin of the products. Under an equivalency arrangement, products comply with the domestic requirements at origin. This provides better controls, traceability and trust.

The equivalency determination process includes rigorous review and comparison of the elements of an Organic Regime. The elements of such a regime are: 1) Administration, 2) Regulations, 3) Accreditation, 4) Certification, 5) Standards and 6) Monitoring and Enforcement.

The comparison analysis determines the extent to which the assessed Organic Regime demonstrates conformity with the Canadian requirements specified in the documentation. In formal negotiations, based on the equivalency determination results, Canada and the foreign country determine the equivalency status and enter into an equivalency arrangement.

These equivalency arrangements create trust in imported products, lessen the cost of accreditation and certification and lead to standards harmonization.

CONFERENCE CONCLUSION

KEYNOTE SPEECH: ORGANIC TRADE: HARMONY AND SUSTAINABILITY

MS. KATHLEEN MERRIGAN

DEPUTY SECRETARY, UNITED STATES DEPARTMENT OF AGRICULTURE

SPEAKER'S BIO

Kathleen Merrigan works alongside the Secretary of Agriculture to oversee the operation of USDA's many programs and spearheads the US\$ 149 billion USDA budget process. She also serves on the President's Management Council, working with other Cabinet Deputies to improve accountability and performance across the federal government. Dr. Merrigan was formerly Administrator of the USDA Agricultural Marketing Service from 1999 to 2001, where she oversaw the development of the National Organic Program regulation. In between her USDA appointments, Dr. Merrigan held a post for eight years as Assistant Professor at Tufts University, Massachusetts. She also served for six years as a senior staff member of the US Senate Committee on Agriculture, Nutrition and Forestry, where she had an instrumental role in writing the US Organic Foods Production Act of 1990. In November 2009, Dr. Merrigan was the first woman to chair the Ministerial Conference of the Food and Agriculture Organization (FAO) of the United Nations. Recognizing the history and scope of her work, Time magazine named Dr. Merrigan among the "100 Most Influential People in the World" in 2010. She holds a Ph.D. degree in environmental planning and policy from the Massachusetts Institute of Technology, a Master of Public Affairs degree from the University of Texas, and a Bachelor's degree from Williams College, Massachusetts.



PRESENTATION

Good afternoon. I would like to thank Nadia El-Hage Scialabba for inviting me today to the GOMA conference. I have worked to support organic agriculture for many years and know that trade plays a critical role in fulfilling the goals of organic agriculture around the globe. GOMA, Global Organic Market Access, provides important tools that the organic community and trading partners can utilize to lower barriers to organic trade. I'm honored to participate in this important effort.

As many of you know, I am no stranger to the organic agriculture sector. I served as the professional staff member responsible for drafting the Organic Foods Production Act under the direction of Senator Patrick Leahy of Vermont, then Chairman of the Senate Committee on Agriculture, Nutrition and Forestry. From 1995-1999, I served on the National Organic Standards Board as an environmentalist. From 1999 to 2001, I served as the Administrator of the USDA Agricultural Marketing Service, during the time period when the USDA organic regulations and the National Organic Program were being promulgated. Since 2009, I have served as Deputy Secretary for the U.S. Department of Agriculture. Under Secretary Vilsack's leadership, I help guide the broad portfolio of USDA programs.

Organic Foods Production Act

First, I want to provide some background on the Organic Foods Production Act. This legislation was an initiative of the early organic production sector. The underlying vision of these early innovators included socioeconomic, environmental and health outcomes for agriculture - attributes of what we refer to today as “sustainability”. Prompted by initial economic success and growing consumer demand (as well as agronomic validation), they sought to embody their vision in legislation. Confusion in the marketplace was an important part of the context. The early 1980s had seen plenty of conflicting standards, specious “organic” claims, outright fraud, and resulting consumer mistrust. This was the primary basis for seeking the regulatory authority of the U.S. federal government. At the same time, U.S. federal policy was coming to recognize the negative environmental externalities of some agricultural systems. Organic farming operations were beginning to demonstrate the potential for offering solutions. A very small but growing body of scientific evidence was pointing to this potential as a rationale for federal policy encouragement. The producers themselves were seeking two main things: an enforceable national standard, which embraced their vision, and a place at the table for USDA’s research and marketing programs. The original proposed bill included both of these goals, but the final legislation only included the former. Integration of organic into USDA’s research and marketing support systems came about later. The resulting Organic Foods Production Act fulfilled the three primary goals for national standards and their enforcement: a consistent guarantee to consumers, an assurance that producers would operate on a level playing field, and codification in the standards of environmental and health criteria. The final piece of context I want to mention is that the Organic Foods Production Act is essentially market-based. Consumers make an economic choice to purchase organic products for the values or qualities which they believe are provided. The federal government’s primary role is to assure consensus on a meaningful standard, enforce a level playing-field, and provide a fair share of governmental resources.

Implementation of OFPA

OFPA is a unique statute and posed - still poses - special challenges for regulatory implementation. Among its novel attributes, no other agricultural standard had ever attempted to regulate a process that, if desired, could be applied to every type of product, in every region of the globe, at every scale of operation. Another very important aspect of the legislation is the special role created for the National Organic Standards Board, or NOSB. The NOSB was carefully chartered by Congress to facilitate input from diverse viewpoints on a wide array of topics. A key role of this board is to function as a “gatekeeper” with respect to substances that the Secretary would allow in organic production and processing. The NOSB has open transparent process that provides the organic community with an opportunity to discuss challenging issues and reach consensus on how to move forward.

National Organic Program

Ten years have passed since USDA launched its National Organic Program. This regulatory program combines rigorous organic standards, a competent oversight system, and access to the U.S. market for conforming organic products. The integrity of this system has helped propel strong growth in consumer demand for certified organic products and the values they represent. This growth has extended globally and created important opportunities for international trade.

As this Administration has stated repeatedly since taking office, we are in the “age of enforcement.” USDA is committed to the integrity of the organic label and recognizes organic farmers

as leaders in environmental stewardship. Organic farmers and processors deserve a high-quality regulatory program that takes action against those who violate the law and thereby jeopardize consumer confidence in organic products as a whole. USDA has made a strong commitment to support the National Organic Program as it acts to ensure the integrity of all USDA organic products. The Secretary and I have little sympathy for operations and certifying agents not knowing the rules. If an operation is found to be in violation of the USDA organic regulations, the Program can administer civil penalties and suspend or revoke their organic certification. Likewise, certifying agents can be stripped of their accreditation. To clarify its standards, the National Organic Program is working to clarify specific areas of the USDA organic regulations and provide additional guidance and oversight to certifying agents. The National Organic Program Handbook provides assistance to those who own, manage, or certify organic operations, and helps them comply with the USDA organic regulations. The NOP is also working to educate certifying agents worldwide to ensure the organic regulations are being interpreted and applied uniformly. To create regulations for specific commodities, the National Organic Program is working on practice standards for aquaculture, pet food, mushrooms, and apiculture. Implementation of these standards will create incentives for producers and facilitate international trade of these commodities. Another priority is to strengthen the National Organic Program's quality management system to meet international standards for accreditation programs. Additional auditors have been hired to strengthen their capacity to address requests for equivalency arrangements with other countries.

U.S. Organic Industry Growth

I'd now like to talk about the growth of the organic industry. It is interesting how organic agriculture went from a time of conflict, to a time of budding curiosity, to a time of appreciation for its economic opportunity. For many years, the organic industry has been one of the fastest growing segments of U.S. agriculture. U.S. sales of organic foods have grown from \$1 billion in 1990, when the Organic Foods Production Act authorized the establishment of the National Organic Program, to an estimated \$29 billion in 2011¹. National surveys have indicated that more than two-thirds of U.S. consumers buy organic products at least occasionally, and 28 percent buy organic products weekly².

Harmonization/Trade

Consumers are demanding a diverse array of organic products to be available year-round. U.S. producers can't meet the demand—either in quantity or due to climate conditions—for products like organic bananas, cocoa, and coffee. To bridge this gap, we have turned to organic imports.

There are three ways for organic products to enter the U.S. market. The first is accreditation. The U.S. allows certifying agents based in other countries to be accredited to the USDA organic standards. Currently, we have 41 USDA-accredited foreign certifying agents, which provide certification services on six continents. Exporting these products to the U.S. does not require a country-specific trade agreement. The second road to the U.S. market is by recognition agreement. This allows foreign governments to directly accredit certifiers. These accredited certification bodies then provide organic certification, under the USDA organic regulations, to organic producers and handlers within their respective countries. USDA conducts periodic assessments of the foreign government's accreditation system to ensure that they are a competent conformity verification body. The U.S. currently has recognition agreements with six nations, including Denmark, India, Israel, Japan, United Kingdom and New Zealand. These recognition agreements

1 Organic Trade Association Data

2 US Families' Organic Attitudes & Beliefs, 2010 Tracking Study – Organic Trade Association

allow producers and handlers in these countries to supply organic kiwis, spices, tea, and rice to U.S. consumers. Exporting these products to the U.S. also does not require a country-specific trade agreement. The third option for a country wishing to enter the U.S. market is through an equivalency arrangement. These formal trade partnerships recognize two countries' organic standards as equivalent and allow organic products certified in one country to be sold as such in the other. Both countries may include additional production requirements—for example, prohibition of a substance—for imported goods. These additional requirements are referred to as critical variances and require verification from each operation exporting products under the arrangement. We try to keep these critical variances to a minimum.

The establishment of the U.S.-Canada organic equivalence arrangement in 2009 created enormous opportunities for producers in both countries. Since then, the United States has entered negotiations with the European Union, and is close to establishing a similar arrangement. In addition, the U.S. is exploring additional trade arrangements and has engaged in talks with Japan, Korea, and Mexico.

From all of these efforts we have gained some general insights:

- Global organic principles are consistent. In these international discussions, every nation has emphasized the importance of protecting natural resources, conserving biodiversity, prohibiting genetic engineering, ensuring animal welfare, prohibiting most synthetic fertilizers and pesticides, and protecting organic integrity.
- Organic standards and regulations around the world are fairly compatible with very limited differences in the standards regarding the materials allowed or the transitional period; but those differences that do exist can create complicated—and often costly—barriers to trade. Critical variances are one way to address differences between two standards, but this approach is often accompanied by additional paperwork and inspections.

The general compatibility of standards paves the way for harmonized organic standards. Equivalence agreements can provide the greatest cost-savings and therefore capture the greatest benefits. Achieving these partnerships requires great diligence by all parties, but the results are well worth the effort. For organic agriculture to continue to flourish, we need to continue to recognize the commonality of organic principles and not get caught up with minor differences between the standards. Biodiversity is a hallmark of organic principles; the organic community needs to embrace diversity within the organic standards, and respect slight differences among organic standards that have been developed in various regions around the world. This will create a network of trade partnerships that connect organic producers, handlers, and consumers across the globe.

Trade agreements have many benefits:

- They support organic agriculture values on a global scale by creating larger markets for farmers and companies that practice sustainability. In turn, this provides organic consumers with a wider array of organic offerings that embody these values.
- They create jobs – in the US, almost half of the organic farmers and food companies surveyed in 2011 planned to create new positions.
- They create market opportunities for all organic operations. This is especially true for small farms and companies—and for export crops, such as coffee, cocoa, tropical fruit, and high-value crops.
- Finally, these partnerships remove trade barriers.

Exporting products can be quite daunting, especially for small organic producers and companies. This is especially true if they need to maintain certification to two standards in order to do so. Trade partnerships eliminate significant barriers to trade, such as a second set of certification fees, a second set of inspections, allowing more time for organic production and handling, and a second set of paperwork, such as application or renewal forms, record-keeping, or organic system plans.

Global Oversight

The challenges of harmonization lie not just in the standards, but also in the ability to provide competent oversight. Governments and certifying agents must verify that organic farmers and handlers are meeting organic standards. They must also have robust compliance and enforcement processes to investigate and act upon operations and certifying agents that violate organic standards. They must also retain open lines of communication with their trade partners – these relationships need to be mutually beneficial and transparent to allow both parties to work through issues as they arise.

The integrity of the organic label is fundamental to the growth of this industry. If consumers do not have confidence in the label, industry growth will stall. It is not a matter of expanding standards, but making sure the standards are enforced. Consumers expect that organic products are grown, processed and handled according to the standards. It is imperative that the organic regulatory system meets their expectations and protects the organic label from farm to market.

The United States remains committed to organic food and agriculture. Our standards embody principles and criteria for sustainability in organic systems. We strive to provide effective regulations and oversight of the organic food industry. We are equally committed to harmonious international trade. Combining these goals supports the continual growth of the organic market and the economic well-being for thousands of organic farmers and companies.

CONFERENCE RAPPOORTEURS

MS. LAURA CECILIA MONTENEGRO

ARGENCERT

BIO

- President and Technical Director of the Organic and Quality Certification Body ARGENCERT S.A., accredited by IFOAM, ISO 65, USDA and GLOBALG.A.P., and active in Argentina, Chile, Paraguay and other countries for 20 years;
- President of CERTIBIONET aisbl (International association of the Organisms of Control and Certification in Biological Agriculture) based in Belgium;
- Secretary of CACER (Certification Chamber of Argentina) and representative at the Ministry of Agriculture Organic Committee (PRODAO);
- Latin American Auditor of the Program Nature & More (The Netherlands);
- GOMA (Global Organic Market Access) Ambassador;
- Honored with the IFOAM Recognition Award during the 17th Organic World Congress in Korea, 2011.



REFLECTIONS ON CONFERENCE OUTCOMES

I recall some main points of the speakers.

Mr. Harsha V. Singh, Deputy Director General WTO, talked about the multilateral trading system in WTO. The TBT Committee encouragement of harmonization has direct impact on the organic sector. “**Multilateralization** in the trade system” means not only making agreements based on side by side technical comparisons; it is working in “**Common Objectives**”.

Mr Franz Fischler said that “Innovation makes the difference.” “Organic is way of life,” he said. A new model of **bio-economy** supports a more holistic rural development, and reduces poverty and hunger. Organic performs as a pioneering feat.

David Crucefix talked about the problems of organic trade: barriers, high cost and complexity. The organic sector has been to some degree self- focused and showing an inability to take on the challenge to look towards the bigger scope of the international standards. Equivalence is hard to do and hard to sell.

The evolution of **Equivalence Tools** is good trend, and examples like India and Asia and EU and Canada that adopt or reference them is encouraging.

Nadia Scialabba expressed that the “Age of enforcement” move toward a “Path of equivalence” and accommodate “Organic +Plus” (GlobalGAP, carbon neutral etc.)

Gunnar Rundgren pointed out that Organic is not only certification and rules, it is delivery of **Ecosystem Services** to the people.

Developing Countries face problems to **Scale Up and Attract Investment**. Cooperative financing agreements will be important to future expansion.

According to Vitton Panyakul, although setting standards is important, standards and certification may be taking up too much attention and too many resources relative to their value in the big picture. It seems that the farmers have now justified the life of inspectors and certification bodies. We need to build organic **Entrepreneurs**.

Markus Arbenz offered **Multilateral Equivalence** through the Family of Standards.

Look the good examples to **Simplify Imports**: Canada has done bilateral equivalence with both USA and EU.

Australia allows imports on the concept of “equal reliability“.

Chile accept the transactional certificates for process food imports.

There is now the **AROS** and other local regional initiatives.

The panel with the Authorities of USA, EU, Canada, India, China and Brazil was really the top group that represents the organic regulatory world and discusses **Global Equivalence** for the world. The equivalence agreements between USA/Canada, Canada/ EU and US/EU represent 95% of the global market.

Other remarkable ideas include:

- **Prevention of frauds** (by increasing transparency, developing of joint systems for trade flow monitoring systems and more market surveillance).
- **Understanding the concept of Sustainability** and remembering the concept is not always perfect. It is so much more important to communicate the idealisms of sustainability to the world community especially the youth of our generation/population.
- **Focus on our values.**
- Go to the concept of an **Organic Way of Life** and we will have a better planet. We need to change the path.

Thank for the privilege to be part of this family.

MR. MATTHEW HOLMES

CANADA ORGANIC TRADE ASSOCIATION

BIO

Matthew Holmes is Executive Director of the Canada Organic Trade Association, and serves as processing chair of Canada's organic standards technical committee, as well as regulatory chair of Agriculture Canada's Organic Value Chain Roundtable. He has long been a champion of trade equivalency for the global organic sector. In October, he was elected to the World Board of IFOAM, the International Federation of Organic Agriculture Movements. Holmes is a regular writer and international speaker on regulatory developments and market trends, and is co-author of the annual chapter on Canada in FiBL & IFOAM's *The World Of Organic Agriculture*. He lives with his family in Atlantic Canada.



REFLECTIONS ON CONFERENCE OUTCOMES

Over the course of the GOMA conference, we have had reports from all over the world on ways to bring the organic world together through the development of common systems, harmonization, equivalence and trade. We have heard about developments in Participatory Guarantee Systems, on the adoption of the AROS regional standards and the potential for South-South trade. We have had endorsements of the COROS tool, heard from the WTO on how to address technical barriers to trade, and explored the models and precedents offered by the recent bilateral equivalencies in Canada, the United States and European Union. We've discussed the possibility of multilateralism and harmonization.

But, we've also sat together and seen how 95% of the world's organic market is supplied by 80% of global organic production. Government representatives from Canada, the U.S. and Europe sat in plenary with representatives of Brazil, India, China and the global South for the first time. And this provided us with a message and a caution as we move forward on connecting and integrating our organic markets—which is that developing markets need to be part of the picture. This is true even as some, such as we heard from China and Brazil, pursue strict exclusive compliance systems for organic agriculture in their domestic markets, which will ultimately make harmonization more difficult to achieve.

It has been an excellent conference with much new information and I have felt fortunate to be able to learn so much from all of you. More than the conference sessions themselves though, I often find at these meetings that it is the ideas and exchanges out of session, in the corridors and at meals, that stay with me.

We are the organic sector, after all, so I would like to share with you some learning from a couple of meals I've had recently, and in particular, two quotes that were raised that I think have particular relevance for our conference.

Last night, I was pleased to dine with members from the GOMA Steering Committee and original members of the International Task Force on Equivalency and Harmonization in Organic Agriculture. (And we must commend them on their efforts here this week.) And during the meal Winston Churchill, channeling George Bernard Shaw, was quoted saying: "England and America are two countries separated by a common language."

This is us! Fundamentally, in the global organic sector, we share our common principles and practices but, often, they are also what divides us. I would say that there are two things that the organic sector does better than anyone else: first, we specialize in the development of organic standards—no one can make organic standards as well as we can; and secondly, we also seem to specialize in creating technical barriers to trade. We create complexity out of commonality. And it can be very frustrating!

Two weeks ago, I had the opportunity to join a group of food leaders in Toronto and have lunch with author and food activist Frances Moore Lappé. She spoke very favorably of IFOAM and the Organic World Congress she attended in Vignola, Italy in 2008. Over the course of lunch we were discussing how to overcome frustration while building food systems based on sound ecology and social justice, and she quoted for us a statement by Dee Hock: “It is far too late and things are far too bad for pessimism.”

I would charge all of us attending this conference to remember this, and to adopt this form of open-eyed optimism as we move forward. Our world is already compromised; we know this. This, in fact, is why we are in the organic sector: to change it before it is too late.

At this conference, more than anything, I have heard sounds of change and positive developments—the dialogue and communication that is so essential—so I thank all of you for sharing that with me and all of us, I thank BioFach for hosting us, the GOMA partners for their vision, and IFOAM for bringing us together.

BACKGROUND PAPERS

ORGANIC STANDARDS AND
CONFORMITY ASSESSMENT
SYSTEMS RELATED TO
INTERNATIONAL TRADE

First published March 2004
Updated January 2012

TABLE OF CONTENTS

Introduction	106
1. Current Standards and Regulations	106
A. International Standards	106
Codex Alimentarius Guidelines for the Production, Processing, Marketing and Labeling of Organically Produced Foods	106
IFOAM Basic Standards for Organic Production and Processing and the IFOAM Standard	107
B. Regulations	109
Listing of Countries and Territories With Regard to Their National Regulation	109
Overview of Content of Standards (Scope) for EU Regulation/ US Rule/ Japanese Standard and the Chinese Regulation	110
Harmonized Standards and Regulations	111
C. Private Standards	112
2. Current Conformity Assessment System	113
A. Regulation of Conformity Assessment Systems	113
General Description of the Systems Applied in Countries to Determine Conformity with Regulatory Standards Within Their Territories	113
Overview of the Criteria Applied by Countries for Approval of Private Certification Bodies	114
B. Private Conformity Systems	115
General Description of Private Accreditation Systems Operating Within the Organic Sector	115
Extent of Private Certification Systems	116
Implementation of Multiple Organic Programs by Certification Bodies	116
Labeling and Certification as a Marketing Tool	117
Sources and Further Reading	118

INTRODUCTION

This paper was prepared as a background document for the meeting of the International Task Force on Harmonization and Equivalency in Organic Agriculture in October 2003. It was updated in 2012¹. Its purpose is to provide a general overview of the current situation with respect to regulations, standards and conformity assessment systems for organic agriculture and processing.

1. CURRENT STANDARDS AND REGULATIONS

A. INTERNATIONAL STANDARDS

CODEX ALIMENTARIUS GUIDELINES FOR THE PRODUCTION, PROCESSING, MARKETING AND LABELING OF ORGANICALLY PRODUCED FOODS

The Codex Alimentarius Commission was established in 1962 by FAO and WHO with the goal of harmonization of food standards on a global level. In July 1992 the Codex Commission decided that the Food Labeling Committee should discuss and develop the “Guidelines for the Production, Processing, Marketing and Labeling of Organically Produced Foods”. In accordance with the general objectives of Codex the intention was to facilitate the harmonization of organic standards at the international level. The guidelines aim to prevent misleading claims and ensure fair trade practices.

As an inter-governmental body Codex gives decision-making powers only to member governments. However, international organizations have observer status and in the case of the guidelines for organic production they played an active part in its development.

The Codex Alimentarius Commission at its 23rd Session in 1999 adopted the Guidelines for the Production, Processing, Labeling and Marketing of Organically Produced Foods, with the exception of the provisions for livestock and livestock products. The Codex Alimentarius Commission at its 24th Session in 2001 adopted the sections concerning livestock and livestock products and bee-keeping and bee products for inclusion in the Guidelines. Since then most of the revisions to the guidelines have been to the lists of allowed substances.

The main sections of the Guidelines establish the framework within which the more detailed standards in the annexes apply. These sections include, inter alia, the specific labeling requirements; the general rules of production and preparation; requirements for inclusion of input materials in the annexes; and criteria for the development of lists of inputs by countries.

Several annexes set down the detailed requirements for production, processing and handling of organic products. These include the rules for the management systems for organic crop production, livestock husbandry and processing (Annex 1) and the permitted agricultural and processing inputs (Annex 2). In addition to the standards for production and processing, the Guidelines contain some provisions regarding inspection and certification systems and import control.

In the context of harmonization efforts, two aspects of the Codex Guidelines should be noted: Codex standards, codes and related texts have received wider acknowledgment following the conclusion of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT), as Codex was specifically mentioned under SPS, while the reference to international standards in the framework of TBT applies to Codex. However, the foreword to the guidelines places certain limitations on its role within the arena of

¹ 2004 version was prepared by Ken Commins, IOAS. 2012 revision was prepared by Eva Mattson, Grolink.

international trade:

“These guidelines are at this stage a first step into official international harmonization of the requirements for organic products in terms of production and marketing standards, inspection arrangements and labeling requirements. In this area the experience with the development of such requirements and their implementation is still very limited. Moreover, consumer perception on the organic production method may, in certain detailed but important provisions differ from region to region in the world. Therefore, the following is recognized at this stage... the guidelines do not prejudice the implementation of more restrictive arrangements and more detailed rules by member countries in order to maintain consumer credibility and prevent fraudulent practices, and to apply such rules to products from other countries on the basis of equivalency to such more restrictive provisions.”

Codex revision procedures are set down in section 8 of the document. A review of the guidelines is to be conducted once every four years. The lists of permitted inputs for production and for processing contained in Annex 2 are subject to review every two years. However, periodic comprehensive reviews have not occurred. Both governments and recognized international organizations are invited to make proposals on an ongoing basis and it is through this process that revisions have proceeded.

IFOAM BASIC STANDARDS FOR ORGANIC PRODUCTION AND PROCESSING AND THE IFOAM STANDARD

The IFOAM Basic Standards for Organic Production and Processing (IBS) were first published in 1980. Since then they have been subject to regular review and re-publication. The IFOAM Basic Standards is published together with the IFOAM Criteria for Certification Bodies in the “IFOAM Norms for Organic Production and Processing”. These documents are registered with the International Organization for Standardization (ISO) as international standards in the field of organic agriculture.

The introduction to the IFOAM Basic Standards states that these standards “provide a framework for certification bodies and standard setting organizations worldwide to develop their own certification standards and cannot be used for certification on their own. Certification standards should take into account specific local conditions and provide more specific requirements than the IFOAM Basic Standards.” They should therefore be considered as standards for standards in the field of organic agriculture and processing.

The standards in the IBS are based on the IFOAM Principles of Organic Agriculture with the four principles:

- The Principle of Health
- The Principle of Ecology
- The Principle of Fairness
- The Principle of Care

The main sections of the IBS deal with standards for crop production, animal husbandry bee keeping, aquaculture, processing and handling of organic products. Additional sections of the standards set out the requirements for ecosystems; labeling and social justice. Lists of products for use in fertilization and soil conditioning, pest and disease control and weed management; and approved additives and processing aids are contained in three annexes. An additional annex provides criteria for evaluating additional agricultural inputs and processing inputs.

Each section of the IBS is presented as General Principles, Recommendations, and Standards for standards. The General Principles are the goals that organic production and processing work towards. The Recommendations provide standards that IFOAM promotes but does not

require. The Standards for standards are the minimum requirements that must be fully incorporated into certification standards.

The IFOAM Basic Standards has been for many years at the core of the IFOAM Accreditation Program, which requires certification bodies to use standards compliant with the IBS in order to be accredited.

The IFOAM Basic Standards do not contain inspection and certification requirements as these are set down in the IFOAM Accreditation Requirements (formerly the IFOAM Accreditation Criteria), also published within the IFOAM Norms. The criteria were first published in 1992 and have been revised periodically since then.

The criteria are developed directly from ISO/IEC Guide 65 'General requirements for bodies operating product certification systems'. However, IFOAM identified a need for further elaboration of the ISO document. This was partly because certification of organic agriculture is certification of a production process rather than of an end product. The other reason was because of the generic nature of the ISO Guide, which is meant for use in all sectors but is predominantly oriented toward the industrial and manufacturing sector. The ISO Guide itself anticipates such a need. The introduction to the Guide indicates that the criteria should be "considered as general criteria for organizations operating product certification systems" and that "they may have to be amplified when specific industrial or other sectors make use of them."

A comparison in 2003 of the IFOAM Accreditation Requirements and the ISO/IEC Guide 65 brought to light the many areas of concern in certification of organic products that are not covered in ISO 65. The criteria contain several special sections covering situations specific to the inspection and certification of organic products. These include the conformity assessment requirements related to conversion periods, genetically modified organisms, partial conversion and parallel production, grower groups and the "chain of custody". An additional section lays out the requirements and procedures for a certification body to accept the prior certification of another certification body.

A study commissioned by IFOAM found that the IFOAM Basic Standards fell within the definition of an international standard in the WTO Agreement on Technical Barriers to Trade (TBT). The IFOAM Basic Standard and the IFOAM Accreditation Requirements are registered with the International Standards Organization (ISO) as international standards.

The IFOAM Basic Standards is in the process of being replaced by an IFOAM certification standard. The new IFOAM Standard, under final stage of development, has been formulated on the basis of the IBS, while taking into consideration the need for harmonization with existing regulations in main organic markets and in particular the need to reach EU equivalence. This standard will replace the IBS function in the context of the IFOAM accreditation, and certification bodies will have a two-year adjustment period to bring their standards in compliance with the new IFOAM Standard.

The historical function of the IFOAM Basic Standards as a "Standard for Standards" has now been taken over by a new norm approved in 2011 by IFOAM, FAO and UNCTAD, entitled the "Common Objectives and Requirements of Organic Standards" (COROS). The COROS fulfills the role of the international reference against which all organic standards and regulations can be assessed for equivalence, either by governments in the context of their import approval regimes, or by IFOAM in the context of what is known as the "IFOAM Family of Standards" (a list of all organic standards and regulations approved as equivalent to the COROS).

B. REGULATIONS

LISTING OF COUNTRIES AND TERRITORIES WITH REGARD TO THEIR NATIONAL REGULATION

COUNTRIES WITH FULLY IMPLEMENTED REGULATIONS

For the purpose of this listing, “**fully implemented**” has been defined as meaning that the authority has approved certification bodies or carries out certification themselves under the law. A total of 66 countries (37 in 2004) have fully implemented regulations for organic agriculture and processing. The geographical breakdown is as follows:

EUROPE (37)

Albania, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Macedonia, Malta, Moldova, Montenegro, The Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovakia, Spain, Sweden, Switzerland, Turkey, United Kingdom

ASIA AND PACIFIC REGION (13)

Armenia, Australia (only for export), China, Georgia, India, Indonesia, Israel, Japan, New Zealand (only for export), Philippines, Saudi Arabia, South Korea, Taiwan.

THE AMERICAS & CARIBBEAN (15)

Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Mexico, Panama, Peru, USA

AFRICA (1)

Tunisia

COUNTRIES WITH FINALIZED REGULATIONS NOT YET FULLY IMPLEMENTED

For the purpose of this listing, “**Final, not yet fully implemented**” means that there is a law and that the detailed standards and rules have been finalized, but the authority has not yet approved certification bodies or carried out certification under the law.

A total of 19 countries (8 in 2004) have not yet fully implemented regulations.

EUROPE (1)

Kosovo

ASIA AND PACIFIC REGION (11)

Azerbaijan, Bahrain, Bhutan, Iran, Jordan, Kuwait, Malaysia, New Caledonia, Oman, Qatar, United Arab Emirates.

THE AMERICAS & CARIBBEAN (5)

El Salvador, Nicaragua, Paraguay, Uruguay, Venezuela

AFRICA (2)

Egypt, Ethiopia

LISTING OF COUNTRIES IN THE PROCESS OF DRAFTING REGULATIONS (15)

For the purpose of this listing, **drafting regulations** means that the standards and rules and/or enabling law are still in draft stage. This includes countries in the process of promulgating a

first draft. A total of 25 countries (15 in 2004) are in the process of drafting regulations.

EUROPE (2)

Bosnia and Herzegovina, Ukraine

ASIA AND PACIFIC REGION (9)

Bangladesh, Hong Kong, Laos, Lebanon, Nepal, Pakistan, Sri Lanka, Syria, Vietnam

THE AMERICAS & CARIBBEAN (3)

Cuba, Jamaica, St. Lucia

AFRICA (11)

Burundi, Egypt, Kenya, Morocco, Rwanda, Senegal, South Africa, Tanzania, Uganda, Zambia, Zimbabwe

IN 2005

REGION	FULLY IMPLEMENTED	FINAL NOT IMPLEMENTED	IN DRAFT
Europe	26	2	4
Asia & Pacific	7	1	5
Americas & Caribbean	3	4	4
Africa	1	1	2
Total: 60	37	8	15

IN 2011

REGION	FULLY IMPLEMENTED	FINAL NOT IMPLEMENTED	IN DRAFT
Europe	37	1	2
Asia & Pacific	13	11	9
Americas & Caribbean	15	5	3
Africa	1	2	11
Total: 110	66	19	25

The above categories are of course simplistic. In reality the situation is more complex. Countries may have a finalized enabling law without having developed the rules for implementation. In some cases the law has defined detailed standards while in others it sets out only guidelines, with the establishment of the standards and system for approval of certification bodies left to the administration. In other countries a national standard has been developed and finalized before the passage of any law. In one country the government has implemented a regulatory system based entirely on administrative measures rather than the law.

OVERVIEW OF CONTENT OF STANDARDS (SCOPE) FOR EU REGULATION/ US RULE/ JAPANESE STANDARD AND THE CHINESE REGULATION

The EU Council Regulation 834/2007, the National Organic Program Rule 7 CFR Part 205 and the Japanese Agricultural Standard (JAS) of Organic Agricultural Products all cover crop production, livestock, mushroom, wild harvesting, processing and handling of organic products. EU and JAS cover mushrooms, in the EU regulation beekeeping and aquaculture is also included.

The US exempts producers and handlers with less than \$5000/year total organic sales from certification requirements, although they must comply with the regulation. EU and Japan do

not allow such an exemption.

None of the regulations require retailers to be certified. US exempt handlers that process products containing less than 70% organic ingredients from certification. EU does not specifically exempt such handlers, but the EU prohibits such operations from identifying “organic” ingredients on the information panels of products. Similarly the Japanese standard requires that at least 95% of ingredients be organic.

The EU regulates the term organic (or equivalent in other EU languages) including the diminutives ‘bio’, ‘eco’ and similar terms. The US and Japan regulate only the term organic or Japanese equivalents.

The EU and Japanese Regulations contain listings of all allowed input substances for both agricultural production and processing. For farm inputs, the US lists “allowed synthetics” and “prohibited nonsynthetics,” thus allowing use of all nonsynthetic inputs that are not specifically listed. A determination of whether an input is “nonsynthetic” or “synthetic” is necessary in order to establish whether it may be used as a nonlisted input.

All four regulations contain provisions for approval of private certification bodies in implementing the law and provisions for enabling imports from other countries.

The specific regulations and standards for organic certification in China were introduced in 2004 and took effect in 2005. The relevant items are:

- The organic standard, i.e. National Standard of the People’s Republic of China: Organic Products (GB/T 19630.1–19630.4-2005), is based on international norms with added emphasis on contamination by pollutants and prohibited materials, as well as quality management systems, especially recordkeeping and traceability.
- The Regulatory Measures on Organic Product Certification Management (also known as Decree No. 67 of State General Administration of Quality Supervision, Inspection and Quarantine) defines organic certification and organic products, including the scope of work and requirements for certification bodies and inspectors. It also sets principles for organic certification, national organic labelling, import requirements and principles for international cooperation and supervision measures.
- The Implementing Rules on Organic Certification (CNCA 2005 No.1) regulates organic certification activities. It defines organic certification objectives, scope of application, standards, certification procedures, administration after certification, certificates, marks and logos, as well as certification fees.

HARMONIZED STANDARDS AND REGULATIONS

The first and most elaborated example of a harmonized regulation is the EU regulation for organic production covering all EU member states, but in the last five years more regional standards have been developed. This section provides a description on regional standards development in East Africa, the Pacific, Central America and Asia.

The East African Organic Products Standard (EAOPS) is written for organic production in East Africa and adapted to conditions in East Africa. The purpose is to have a single organic standard for organic agricultural production under East African conditions. It is adopted by the East African Community as an East African standard, which means it is publicly recognized in Burundi, Kenya, Rwanda, Tanzania and Uganda.

This East African Organic Products Standard is based on organic standards currently in place

in the region as well as the IFOAM Basic Standards and the Codex Alimentarius guidelines for production, processing, labeling and marketing of organically produced foods. The standard covers plant production, animal husbandry, bee-keeping, wild production and processing.

The Pacific Organic Standard is written for organic production in the Pacific Island countries and territories. The Pacific Organic Standard is expected to serve as a basis for raising the profile of organic agriculture among farmers and consumers, strengthening organic production capacity in the region, and promoting further development of local, regional and international markets for Pacific organic agriculture products.

The standard has been endorsed by the Conference of Pacific Ministers of Agriculture and Fisheries. The standard now provides a platform for further regional policy development around organics.

The provisions of the Pacific Organic Standard take into account both local agricultural traditions and two global organic standards, IFOAM Basic Standards and Codex Alimentarius. Areas covered are crop production, animal husbandry, aquaculture production, processing and handling, social justice and textile processing. The Pacific Organic Standard also covers mitigation of climate change, an area which few other standards cover.

The Central American countries (Guatemala, Honduras, El Salvador, Nicaragua, Panama and Costa Rica), together with Dominican Republic, are driving a process to develop a harmonized regional regulation on organic agriculture in the American Continent. The system includes standards for organic production and processing, requirements for conducting organic certification, import requirements, and a system for supervision of the regulation by the governments.

In East, South-East and South Asia, the Asia Regional Organic Standards (AROS) is under development. Twelve Asian countries are involved, including China, Thailand, India, Malaysia, Indonesia and the Philippines. The purpose is to provide a platform for recognition of imports to participating countries. The countries involved are developing a regional standard which can also act as a baseline for mutual recognition. This standard could, however, also be used for direct certification in countries without mandatory organic regulation, e.g. Laos, Vietnam and Cambodia, or as a basis for the development of new standards e.g. in Bhutan.

C. PRIVATE STANDARDS

The Soil Association in the UK published the first private organic standards in 1967. These were more a set of guiding principles rather than the detailed production and processing standards prevalent today.

It is important to realize that this initiative and other private standards that were developed in the US and elsewhere shortly thereafter, were driven by the need of organic farmers in the region to have a common definition of organic. This was both to provide assurance to the growing consumer sector and to prevent fraudulent claims and unfair competition. Farmers' associations published all of the earliest organic standards. Along with publishing standards, the associations then set about to verify compliance with those standards. The result was that certification bodies that were established during the 1970s and 1980s also published their own standards. These standards provided an identity to the farmers' association and helped to ensure the loyalty of the farmer.

The result of this heritage is that there are a great many private organic standards for production and certification around the globe. A recent special directory edition of the newsletter "The Organic Standard" identified 549 (364 in 2004) bodies offering organic certification. Of these 121 (65 in 2004)

stated that they had their own standards. The number is likely to be higher, as some certification bodies that are known to have published their own standards did not answer this question.

While this plethora of standards has created some difficulties with respect to mutual recognition and trade, there have also been some advantages. As the standards are being set in the specific region in which the certification body operates, they tend to be more appropriate for the local ecosystems and local culture than standards set distantly. It has also resulted in the vigorous development of organic standards. Standards set within a small organization can react more easily to new developments or new input products being placed on the market.

A result of this dynamism is that private organic standards have been developed for activities generally not covered in regulations. These include textile processing, aquaculture, restaurants, cosmetics and others. Regulations by their nature are more inclined to exclude these activities and adopt a more narrow scope.

The private standards determined the content of the IFOAM Basic Standards, which in turn have had a major influence on the EU Regulation 834/2007, which itself has influenced the content of most other organic regulations and the Codex Alimentarius Guidelines. Historically, organic standards can therefore be viewed as having been developed from the bottom up rather than being imposed from above.

The large number of organic standards should not be taken to mean that there are necessarily large differences between these standards. The IFOAM Basic Standards and the EU Regulation 834/2007 (first published as EU Regulation 2092/91, the first implemented regulation of a large importing region) have instructed the content of private organic standards around the world. Differences tend to relate more to which sections of the standards are given most emphasis. For example, in countries where organically reared livestock is in its infancy, the private livestock standards are likely to be more basic than in regions where livestock plays a more important role. Differences also reflect local consumer expectations. For example, countries where consumers have a strong awareness of animal welfare are likely to have more developed standards related to this issue.

There has been some effort within the private sector to move away from the “certifier own standard” model and instead to develop jointly used standards. An example of this is Accredited Certification Bodies’ Equivalent European Union Organic Production & Processing Standard for Third Countries. It is a standard used by 15 certification bodies which are accepted by the EU to work in equivalence with the EU regulations. Another example is the Italian Organic Standard formulated by seven Italian certification bodies. Such private standards may offer the advantages of adaptability and dynamic development without some of the problems that come with a large number of private standards.

2. CURRENT CONFORMITY ASSESSMENT SYSTEM

A. REGULATION OF CONFORMITY ASSESSMENT SYSTEMS

GENERAL DESCRIPTION OF THE SYSTEMS APPLIED IN COUNTRIES TO DETERMINE CONFORMITY WITH REGULATORY STANDARDS WITHIN THEIR TERRITORIES

As the first fully elaborated regulation, the EU Council regulation 2092/91 (transformed to 834/2007) established the general system for determining conformity to the regulation. In

establishing their regulations other countries have generally followed the EU example. The defining feature of this system is that it allows for recognition of both public and private certification bodies to specified criteria. The designated authority differs in countries according to the internal government structures, but in most cases it is the department of agriculture.

This system places responsibility for determining conformity to the respective regulation on the private certification bodies. The certification bodies operate according to their own procedures and policies providing these meet the criteria for approval. An exception to this is the US system, which approves certification bodies as agents to operate a certification program published as part of the rule. The EU requires accreditation to ISO Guide 65 for certification bodies active inside the EU, while certification bodies active outside the EU certifying products for import to the EU have to take into account Codex Alimentarius guidelines CAC/GL 32. The US rule establishes the procedure itself.

The EU regulatory system covers certification bodies based in the European Union and active inside the EU. Recognition of certification bodies based outside the EU can occur when the country in which the certification body is based has been recognized by the EU as having established an equivalent system. Another approach to recognition outside the EU is for the EU to recognize certification bodies using equivalent private standards and meeting equivalent certification performance requirements. The US and Japanese systems allows foreign certification bodies to apply directly for accreditation. In the case of Japan the certification body must also have a registered office in Japan. In the case of countries deemed to be equivalent, the Japanese system does not confer automatic approval to the countries' certification bodies. The certification bodies must still register with the Japanese Ministry.

In China there are three national agencies that are important for its organic system. The Certification and Accreditation Administration of the People's Republic of China (CNCA), is the national administrative body overseeing all types of certification and accreditation within China. CNCA covers organic production and a wide range of other food related areas. The national accreditation body is the China National Accreditation Service for Conformity Assessment (CNAS). This body does technical conformity assessment and sets technical rules, such as the certification criteria for all certification bodies. All certification bodies, also for import of organic products, have to be accredited by CNAS. In addition to the above, inspectors of all certification and certification training bodies must be approved and registered with the China Certification & Accreditation Association (CCAA), which was established in 2005. All inspectors must undergo training which is conducted only in China and only in Chinese.

Currently, there are 26 organic certification bodies that are approved, all are based in China.

OVERVIEW OF THE CRITERIA APPLIED BY COUNTRIES FOR APPROVAL OF PRIVATE CERTIFICATION BODIES

The EU regulation requires certification bodies to comply with the regulation (minimum inspection requirements and precautionary measures under the inspection scheme) as well as to be accredited to comply with the requirements of ISO/IEC Guide 65 "General requirements for bodies operating product certification systems".

The EU regulation contains additional requirements related to certification of organic operations that are not addressed in the ISO guide. An example of such a measure would be parallel production. In this aspect the EU regulation is similar to the IFOAM system, where the IFOAM criteria have additional requirements to those in the ISO Guide. A number of other countries have identical or similar requirements to those in the EU regulation.

The US and Japan have both promulgated distinct requirements. In the case of the US Rule these are quite elaborate. Some other countries have chosen to base their criteria on the IFOAM criteria e.g. India.

B. PRIVATE CONFORMITY SYSTEMS

GENERAL DESCRIPTION OF PRIVATE ACCREDITATION SYSTEMS OPERATING WITHIN THE ORGANIC SECTOR

In 1992, IFOAM established the IFOAM Accreditation to accredit certification bodies active in certifying organic agriculture throughout the world. Since 1997, this program has been operated by the International Organic Accreditation Service (IOAS), a non-profit organization incorporated in the US. The IOAS operates IFOAM Accreditation under license from IFOAM. The first accreditation of organic certification bodies took place in 1994 when three certification bodies were IFOAM accredited. In 2012 thirty certification programs are accredited and two more have applied. The IOAS is also running the Global Organic System Accreditation (GOSA) where there are two applications so far. This system accredits certifiers in compliance with the IFOAM Accreditation Requirements and any standard in the IFOAM Family of Standards. Standards are admitted to the IFOAM Family of Standards based on their equivalence with the Common Objectives and Requirements of Organic Standards (COROS).

Any certification body involved in the certification of organic production, whether private or state-run, can apply for IFOAM or GOSA accreditation. Membership of IFOAM is not a requirement. IFOAM and GOSA accreditations are set up as international accreditation systems. This means that its personnel and governance are drawn from around the world and that it accepts applications from anywhere.

The IOAS also offers ISO/IEC Guide 65 accreditation to certification bodies active in the organic arena, and is also offering accreditation to the Global Organic Textile Standard, and Textile Exchange standard.

In addition to the IOAS a number of national accreditation bodies have conducted ISO Guide 65 accreditation of certification bodies active in the organic field. Whether these national accreditation bodies can be considered as part of the private sector depends on the country in question. In some countries they are part of the government department, in others they are semi-state bodies and in some they are private with various degrees of statutory recognition.

In all cases applications for accreditation by national accreditation bodies have been motivated by requirements of the regulatory sector. In particular, the import requirements of some, but not all, EU countries have stressed this source of accreditation. IFOAM accreditation has on the other hand been entirely voluntary in nature and driven by the market.

The international model of accreditation practiced by the IOAS has been taken up by a number of other organizations in the field of social and environmental labeling. These bodies have formed the International Social and Environmental Accreditation and Labeling Alliance (ISEAL). National accreditation bodies come together in the International Accreditation Forum (IAF).

The national accreditation system concept is that each country has an official accreditation body that has sole rights to conduct accreditation within their territory. The accreditation body conducts accreditation in all sectors of the economy. The issue of international trade

and acceptance of one accreditation by an accreditation body within another territory is dealt with by multilateral agreements between the accreditation bodies.

The concept of international accreditation systems is that the accreditation body operates internationally in a particular sector. This brings several advantages. By limiting itself to a single sector the accreditation body can employ experts from within that sector on a full time basis. An international accreditation body also has the advantage of having no territory to protect vis a vis international trade.

The main function of accreditation is to answer the question as to how a certification body, which may be on the other side of the world, can be trusted. The national accreditation model results in this certification body being accredited by a different accreditation body. The question of trust is simply transferred as to how the other accreditation body can be trusted. In the sector specific international model the certification bodies are accredited by the same accreditation body. The equivalence of these certification bodies is therefore established without further question. In the case of IFOAM Accreditation the Multilateral Recognition Agreement signed by the accredited certifiers illustrates this. In this voluntary agreement the certification bodies recognize each other's competence based on their common accreditation.

EXTENT OF PRIVATE CERTIFICATION SYSTEMS

A recent directory edition of the journal "The Organic Standard" identified 549 (364 in 2003) bodies offering organic certification. The directory notes that there is an imbalance in geographical breakdown and provides the following statistics: The 549 certification bodies are based in 85 countries (compared to 364 certification bodies listed in 57 countries in 2003). 351 (290 in 2003) are located in the developed world (Europe, USA, Japan, Canada, New Zealand and Australia). The EU alone accounts for 190 (106 in 2003) of these. A number of certification bodies work beyond their home territory. A few work in most continents.

It is clear that there is no shortage of private organic certification bodies. The introduction of regulations has not resulted in a reduction of private certification bodies and could well have stimulated a growth in the sector. Certainly a number of certification bodies that applied and received accreditation by the National Organic Program (in the USA) were not known to be actively certifying prior to the publication of the rule.

This is not surprising as none of the major regulations required replacing private certification with government certification. Instead the regulations have utilized the expertise of the private certification bodies to implement a regulatory system. At the same time anticipated continued growth of the organic sector has enticed many new organic certification bodies to enter the market and larger generic certification bodies to enter into the organic certification business.

IMPLEMENTATION OF MULTIPLE ORGANIC PROGRAMS BY CERTIFICATION BODIES

The growth of regulations in the organic sector has resulted in certification bodies offering several organic certification programs. It is not uncommon for larger certification bodies to offer certification against the European Union Regulation, the United States NOP regulations and Japanese Agricultural Standard as well as offering certification against its own standard.

Some regulations have required the setting up of a different program. This is true for both Japan and the US where certification under the law requires that the certification be carried out against the legal standard itself. In the EU some countries have taken the same approach. This means that certification bodies that wish to keep their private standards and logo systems have offered both systems. Operators must, of course, be certified to the legal requirement and then may choose to also be certified and licensed to use the private certification logo. In other European countries the authorities have recognized that the private standard meets or exceeds the regulation. This means that operators certified under the private standard are automatically recognized as being in compliance with the legal requirements. The certification bodies are still required to offer certification against the law itself for those operators who do not wish to meet the additional requirements associated with the logo program, but wish to label their product as organic. Certification bodies that operate several programs face many difficulties. Ensuring that both the operators and the inspectors are fully aware of all the differences in standards is problematic. Issuing of transaction certificates is also complicated as a crop may be certified under more than one program and the operator may require certificates under the different program for different lots.

It would be incorrect to view the multiple programs as simply a manifestation of a service business offering its customers several services. In this case neither the certification bodies nor their clients would be likely choose this course were it not forced upon them. It is a direct result of the lack of harmonization of regulations and standards and of differences and lack of recognition between conformity assessment systems.

LABELING AND CERTIFICATION AS A MARKETING TOOL

From the early stages in the development of organic certification, private certification bodies have marketed their certification marks to the consumer as a guarantee of quality. The degree to which they have been successful differs from country to country.

The certification body's marks are generally officially registered as trademarks. This fact becomes important when considering harmonization and equivalency issues. In some countries such as Sweden and the United Kingdom there is strong consumer identification with the certification body's mark, whereas in other countries such as the USA, there is little consumer recognition of private marks. Though the NOP logo is not mandatory, many private marks disappeared from the market when it was introduced. The EU logo is mandatory for products packed inside the EU, but voluntary for products packed outside the EU.

SOURCES AND FURTHER READING

Global Organic Market Access (GOMA) webpage at www.goma-organic.org

Grolink (2012): The Organic Certification Directory www.organicstandard.com/directory

Grolink: The Organic Standard, Höje Sweden

Huber, Beate, Otto Schmid and Gbati Napo-Bitantem (2012): Standards and Regulations. In: Willer, Helga and Lukas Kilcher (Eds.) (2012): The World of Organic Agriculture. Statistics and Emerging Trends. FiBL-IFOAM-Report. FiBL, Frick and IFOAM, Bonn

CURRENT MECHANISMS THAT ENABLE INTERNATIONAL TRADE IN ORGANIC PRODUCTS

First published March 2004

Updated January 2012

TABLE OF CONTENTS

Executive Summary	122
1. Introduction	123
1.1 Definitions and Related Explanations	123
Compliance	123
Equivalence	123
Mutual Recognition	124
Transparency	124
1.2 Overview of the Private and Government Systems	124
Private System	124
Government Technical Rules/Regulations	124
Conformity Assessment	125
Internationally Developed Tools to Facilitate Equivalence in Organic Agriculture	125
2. Private System	126
2.1 Harmonizing Standards	126
2.2 Equivalence and Mutual Recognition	126
2.3 Cooperation Among Certification Bodies	127
3. National Government Systems	128
3.1 European Union	128
1. Commission Approval of Third Countries	128
2. Member State Authorization of Products: the Importer Derogation (Phasing Out)	129
3. Commission Approval of Recognized Control Bodies and Control Authorities for the Purpose of Equivalence (New Mechanism)	129
4. Commission Approval of Recognized Control Bodies and Control Authorities for the Purpose of Compliance (Not Yet Implemented)	130
3.2 Japan	131
1. Certification by a MAFF-Registered Certification Body	132
2. Recognition of Countries with Equivalent Organic Regulatory Systems	132
3.3 United States	133
1. Direct accreditation by USDA	133

2. Accreditation by a Foreign Government	133
3. Country Equivalency	134
3.4 Other Countries with Leading Approaches in Equivalence Recognition	134
4. Inter-governmental Bodies	136
4.1 Codex Alimentarius	136
Influence on Harmonization	136
Influence on Equivalence	136
Transparency	137
4.2 ISO Guidelines	137
5. Limitations of the Current Systems	138
5.1 Government Systems	138
5.2 Private Systems	139
6. Conclusions	140

EXECUTIVE SUMMARY

This paper was prepared as a background document for the meeting of the International Task Force on Harmonization and Equivalency in Organic Agriculture in October 2003. It was updated in 2012¹. The paper focuses on how some government organic regulations and the two international systems (IFOAM and Codex Alimentarius) provide mechanisms to enable the international flow of trade in organic products – a process that in the context of these papers is referred to as “convergence”.

Mechanisms to accommodate international trade exist in all three organic regulations that apply to the major importing markets (EU, USA, and Japan), as well as in many other country regulations, and in the IFOAM Organic Guarantee System. Some of these mechanisms are based on determination of compliance, and others are based on determination of equivalence. This paper describes these mechanisms and the extent to which they are currently implemented.

Also addressed is the current impact of Codex Alimentarius and ISO Guidelines on harmonization and transparency.

The paper concludes with an analysis of some of the limitations of the current systems to bring about convergence. These are the following:

- In general, government systems are not based on an internationally recognized standard.
- There are no precedents for international multilateral equivalence and mutual recognition in government systems, and few precedents for bilateral equivalence.
- Most government systems emphasize unilateral or bilateral equivalency.
- Transparency is lacking.
- Governments lack the tools and resources to conduct equivalence assessments of a high number of systems and the GOMA tools for equivalence of standards and certification have not yet been widely taken up.
- The sector-lead (IFOAM) international system has mechanisms for multilateral equivalency of standards, but it is not yet widely recognized or used by government regulatory systems.
- Governments have not made extensive use of the international organic accreditation system as an option to simplify acceptance of conformity assessment of imported products.

¹ The 2004 paper was prepared by Diane Bowen. The 2012 revision was prepared by Joelle Katto and Diane Bowen.

1. INTRODUCTION

The three major organic importing government authorities (EU, Japan, US) have compliance, mutual recognition and equivalence-based mechanisms for enabling their systems to accommodate the flow of trade in organic products. Other countries have developed similar, and sometimes innovative mechanisms for the same purpose. Transparency of these processes is an important factor in achieving credible and stable mechanisms. This paper examines the current mechanisms for enabling international trade, the extent to which they have been implemented, and assesses their transparency.

It is useful to begin with definitions of the significant terms, along with some examples of their application in the context of organic regulation and trade, after which an overview of both the private and government systems is provided. Details of the specific systems follow, and a summary of the limitations of the existing systems concludes the paper.

1.1 DEFINITIONS AND RELATED EXPLANATIONS

CONVERGENCE

Convergence refers to any process of trade coordination in a generic way that fosters the flow of products.

COMPLIANCE

This paper uses the term “compliance” to indicate adherence to the specific provisions of a standard, technical regulation, or requirement for conformity assessment. Entities that are directly regulated by a government authority or private program are required to be in compliance with all the provisions of a governing document. Compliance is at the root of a given system of technical regulation, regardless of layers of equivalence that might be built above it to harmonize differences among systems. However, compliance can also apply between nations and systems. If a government regulatory program has a mechanism to assess the compliance of foreign entities, *inter alia* certification bodies, producers, traders, with its regulation this can facilitate trade. An example of such a compliance-based approach is the USDA’s direct accreditation of foreign certification bodies to the requirements of the US National Organic Program (NOP). While these certification bodies may be subject to the organic regulations of their home country, they may also design their certification program to comply with the US organic regulations. So therefore a provision based on compliance can also be regarded as a way to converge.

EQUIVALENCE

Equivalence is a mechanism to recognize and accept another system by acknowledging that variations between the systems uphold the respective systems’ objectives. With respect to conformity assessment, ISO defines equivalence as the sufficiency of different conformity assessment results to provide the same level of assurance. Equivalence can be structured bilaterally or multilaterally, and is forged through determinations of equivalency of standards and technical regulations. Although achieving an equivalence determination is a complex process, equivalence mechanisms can operate far more efficiently than compliance mechanisms with respect to international trade. Currently, in the government sector, there are a few mutual recognition agreements for equivalence of organic regulations, as well as some unilateral

equivalence determinations. The IFOAM Organic Guarantee System provides a mechanism to enable multi-lateral equivalence of standards and facilitate unilateral recognition of multiple standards. The IFOAM Organic Guarantee System also provides a platform for multi-lateral mutual recognition among certification bodies participating in its accreditation programs.

MUTUAL RECOGNITION

Mutual recognition is a tool in which the conformity assessment bodies are deemed to be equally capable and generally does not include any convergence of the standards against which products are judged.

TRANSPARENCY

Transparency means access to information on the mechanisms for implementation of standards, regulations and agreements, as well as for the individual processes and decisions undertaken within these frameworks. Equivalence is internationally feasible only with transparency. This premise is acknowledged and supported by the WTO Agreement on Technical Barriers to Trade (TBT). The TBT Agreement in the Uruguay Round established a requirement for governments to notify other governments when establishing any technical regulations that depart from “relevant international standards” and also when forging equivalence agreements with other governments.

1.2 OVERVIEW OF THE PRIVATE AND GOVERNMENT SYSTEMS

PRIVATE SYSTEM

The IFOAM Organic Guarantee System is the only international private system dealing with trade of organic products. It establishes a mechanism for international approval of organic standards and technical regulation through its IFOAM Family of Standards. This provides the basis to enable multi-lateral equivalence and/or unilateral recognition of multiple standards. The IFOAM Organic Guarantee System also establishes baseline compliance and equivalence requirements for conformity assessment and standards upon which equivalence among certification bodies may be further established. Transparency of these mechanisms is necessary to ensure that the systems are implemented in a fair, non-discriminatory, consistent and accurate way, so as to foster trust between the parties.

GOVERNMENT TECHNICAL RULES/REGULATIONS

All three of the organic technical regulations of the major importing countries plus IFOAM’s Basic Standards differ from one another in some key respects. Neither the US National Organic Standard nor the first EU Regulation 2092/91 were formally modeled on an existing international standard. Therefore, they are widely considered to have their own national basis and standing, which is not within an international context. In this respect, they may not conform to the WTO TBT Agreement, which states that technical regulations should follow relevant international standards. However, the criteria or definition of a “relevant standard” is not given.

IFOAM Basic Standards (IBS) have existed in the private sector for more than twenty years, but their longevity does not necessarily qualify them as “relevant standards” under WTO. History of the IBS development until recently shows few ties with government or international standardizing structures.

Codex Guidelines for the Production, Processing, Labeling and Marketing of Organically Produced Foods are an initiative of governments with private sector participation, but their develop-

ment and approval came after the initiation of the US and EU organic regulations and did not influence them to any significant extent. And, although Codex Alimentarius was a reference point for the development of the Japanese Agricultural Standard (JAS), elements of Japan's organic regulation differ in significant ways from other national and international standards, of which an example is its requirements for "grading" of organic products throughout the production and distribution chain.

CONFORMITY ASSESSMENT

A number of key government conformity assessment requirements are based in some way on ISO Guidelines. IFOAM's conformity assessment requirements for certification bodies, the IFOAM Accreditation Criteria, are also based on ISO Guidelines. However, the degree to which these systems are based on ISO is significantly different.

INTERNATIONALLY DEVELOPED TOOLS TO FACILITATE EQUIVALENCE IN ORGANIC AGRICULTURE

IFOAM, FAO and UNCTAD cooperated in two projects aimed at facilitating organic market access. The first project, entitled the International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF) led to the production of two tools to facilitate equivalence in the organic sector: the IROCB and the Equitool.

The IROCB (International Requirements for Organic Certification Bodies) is a tool to enable governments and organic certification and accreditation bodies to recognize certification bodies outside of their own system, and thus facilitate the acceptance of organic products certified by these bodies. IROCB can be regarded as an international common denominator for certification performance requirements. It is a normative document that includes most of the requirements of ISO 65, adapted for the organic sector, and additional sector-specific requirements. Because it is a norm, IROCB can also be adapted for direct accreditation of organic certification bodies.

The Equitool is a guide for assessing equivalence of organic standards and technical regulations. It aims to facilitate and harmonize these assessment processes. The tool contains a standard procedure for the equivalence assessment process, criteria for evaluating differences in standards, and information about using objectives of organic standards in the assessment process.

In 2011, FAO, IFOAM and UNCTAD adopted the Common Objectives and Requirements of Organic Standards (COROS) as a new annex to the Equitool. In the context of the FAO/IFOAM/UNCTAD projects, it constitutes a tool which governments are recommended to use in assessing equivalence of other standards. Additionally, in the IFOAM context, the COROS has become the international norm that serves as a basis for the approval of standards in the IFOAM Family of Standards. The COROS is gaining influence in shaping both private standards and government regulations, however its adoption is very recent (2011) and came after many regulations were well implanted. Its influence in this role is therefore so far rather limited to standards and regulations under development or not fully implemented.

The Equitool and the IROCB (together known as "the ITF tools" and more recently "ITF/GOMA Tools"), were published in 2008, and the COROS was published in 2011 as an annex to the Equitool. Since its publication, IROCB and Equitool has been referenced in the EU guidelines on imports as best practices for equivalence assessment processes, but no country or expert evaluation body has yet officially concluded equivalence assessment of either conformity assessment bodies, or standards, on the declared basis of the ITF tools.

However, a few countries are in the process of testing the tools, with technical assistance from the GOMA project (Global Organic Market Access), the successor of the ITF project. Canada, Indonesia and the Philippines are examples of such countries. The COROS, through its use as a basis for the IFOAM Family of Standards, has come to be indirectly recognized and used by two countries that have approached organic imports through the concept of “equal reliability” and unilateral recognition of multiple standards (see section 3.4 of this paper).

2. PRIVATE SYSTEM

2.1 HARMONIZING STANDARDS

IFOAM Family of Standards: The core component of the IFOAM Organic Guarantee System, the IFOAM Family of Standards, is a mechanism mainly targeted at promoting equivalence, but also its implementation has an effect on harmonization. To be accepted in the IFOAM Family of Standards, private standards and government regulations must pass an equivalence assessment against the COROS (Common Objectives and Requirements of Organic Standards). Requirements in the COROS are “common” in the sense that they can be found in many organic standards and technical regulations, however, not in all of them. The COROS assessment is conducted by IFOAM, and once standards are approved, the summary of their performance against the COROS is made public (with their approval). In the application process, areas where the standard shows unjustified gaps as compared to the COROS are identified and standard owners are given an opportunity to revise their standard in order to address these gaps and thereby improve the performance of their standard in the COROS equivalence. This process has influenced many of the applicants for the IFOAM Family of Standards, including both private standards and government technical regulations. The IFOAM Family of Standards approval process thus provides a strong incentive for global harmonization whenever possible, while respecting variations which are duly justified by regional or other conditions.

The IFOAM Accreditation Program still operates on the basis that certification bodies must use a standard compliant with the IFOAM Basic Standard. This mechanism has been in effect for many years and continues to have an effect on harmonization of private standards within the IFOAM Accredited certification bodies.

2.2 EQUIVALENCE AND MUTUAL RECOGNITION

2.2.1. MLA BASED ON IFOAM ACCREDITATION

- Since 1997, IFOAM Accreditation has been providing a common platform upon which IFOAM Accredited Certification Bodies (ACBs) could streamline their operations and support the flow of international trade in organic products through a multi-lateral agreement (MLA) for mutual recognition. The MLA has been conceived as a mechanism for multilateral “certificate acceptance,” and stands in contrast to the process of conducting full certification document reviews and re-certifying a product. This is useful when a party certified by one ACB wishes to purchase a product certified by another ACB for use as an ingredient in a multi-ingredient product, or for re-sale. The MLA has been providing recognition of functional equivalence among certification bodies, for the system of conformity assessment (certification) at the level of the IFOAM Accreditation Criteria, and for equivalence of

organic standards at the level of the IFOAM Basic Standards.

The MLA has not reached full implementation even among IFOAM accredited certification bodies, for several reasons, including that:

- The legal constraints faced by the ACBs in the form of government regulations requiring full compliance to their own regulation, as opposed to the approach of equivalence on a private level as negotiated through the MLA.
- A number of ACBs have set-up additional requirements beyond the IBS, and ask that other CBs implement these additional requirements for their products to be accepted. This was due to the fact that compliance, as opposed to equivalence, remains a dominant concept even within the mutual recognition mechanism provided by IFOAM Accreditation.
- The MLA applies only to the certification bodies’ “IFOAM Accredited programs”, whereas a number of certification bodies run multiple organic certification programs for a variety of standards.
- The status of the MLA is currently changing, due to the launch of a new accreditation program by IFOAM, namely the Global Organic System Accreditation. The GOSA accreditation is also based on compliance with the IFOAM Accreditation Criteria but enables accredited certification bodies to use any standard that is approved in the IFOAM Family of Standards. In this new landscape, an extended MLA could therefore emerge whereby mutual recognition is based on compliance with the IFOAM Accreditation Criteria on the conformity assessment level, and based on equivalence of standards through acceptance in the IFOAM Family of Standards on the standard level. In practice however, the implementation of such MLA would be dependent on the strength of the ACB group, and will likely face similar problems as those encountered by the existing MLA.

2.2.2. IFOAM FAMILY OF STANDARDS

The establishment of the IFOAM Family of Standards has brought a different concept to existence, the concept of unilateral recognition of multiple standards based on equivalence against the COROS. This approach is implementable by private standard owners (some of which are certification bodies). IFOAM encourages owners of standards approved in the IFOAM Family of Standards to recognize all other standards in the Family as equivalent. On the private level, this recommendation particularly applies to certification bodies or standard schemes that operate in an unregulated market.

The IFOAM Family of Standards is a mechanism designed by the private sector, but aiming at serving both the private and the public sectors. Government technical regulations can also be approved in the IFOAM Family of Standards, and governments are also encouraged to make use of the IFOAM Family of Standards as a basis for multi-lateral equivalence agreements, or as a basis for unilateral recognition of multiple standards. Verified equivalence of technical regulations and standards with the COROS (Common Objectives and Requirements of Organic Standards), as demonstrated by approval in the IFOAM Family of Standards, can serve as a baseline for these recognitions.

2.3 COOPERATION AMONG CERTIFICATION BODIES

In light of the barriers to organic trade not yet removed through equivalence, certification bodies have begun to cooperate with one another to facilitate export and import of certified organic

products. A main example of this is Certification Alliance, which presents itself as “a one-stop inspection and certification service bridging operators to organic markets worldwide.” The alliance is composed of nine certification bodies based in Asia, and one globally operating certification body that is recognized for imports in the US, EU and Japan. Products for export are inspected by a local certification body for compliance to the regulations of the major importing markets, and then certified by the recognized international certification body. The alliance is furthermore facilitating organic trade flow among the countries in which its members are based.

3. NATIONAL GOVERNMENT SYSTEMS

3.1 EUROPEAN UNION

3.1.1 MECHANISMS FOR IMPORTS

EU regulations apply to all processed and unprocessed food products from animals and plants, including wild products. EEC Regulation 2092/91 recognized three methods for meeting the requirements for importing organic foods into the EU. Under the new regulations, adopted in 2007 and 2008, the EU maintains some of the previous methods while others are being phased out and new methods are coming into effect. Under the new regulations, the Commission Regulation (EC) No 1235/2008 of 8 December 2008 lays down the detailed rules for implementation of the Council Regulation (EC) No 834/2007 as regards the arrangements for imports of organic products from third countries.

1. COMMISSION APPROVAL OF THIRD COUNTRIES

Article 11 of Regulation (EEC) No. 2092/91 established the basic system for approval of third countries for the purpose of importing organic products. The new regulation No 1235/2008 maintains this system of approval of recognized third countries. The detailed rules for implementing this system are laid down in Title III, Chapter 1 of the regulation. They require the EU authorities to evaluate and approve a third country’s organic technical regulation and to recognize its organic conformity assessment system.

In cases where inspections are carried out by private certification bodies, the EU will evaluate the exporting country’s system for accrediting private certification bodies. The evaluation of the third country system includes physical visits by the Commission’s own experts. Such evaluation visits may also occur at any time following approval of the third country.

Approved countries appear on annex III to Commission Regulation (EC) No 1235/2008. The list specifies for each country the approved product categories, origin, standard and control bodies, among others. The list also has a date until which the inclusion of each country is valid. Through this method, inspection bodies are approved by the EU only for their work within the country on the annex III list, and not for certifications outside the country.

To be added to the Annex III list, a country representative must apply to the Commission and provide sufficient information to enable the Commission to ensure that the requirements are met for organic products intended for import into the EU. The information must include, among others, an assessment of equivalence of the applicant country’s production standards against the EU production rules, and an assessment of “equivalent effectiveness” of its control system.

Countries can come to be listed on the third country list through 3 main approaches:

- In the framework of general trade agreement in agricultural products. Switzerland falls

under this case but is nevertheless listed on the list of third countries for equivalence for the sake of clarity.

- Through unilateral review of the applicant countries (in order of the applications of countries which are on the waiting list). This is the most common case for countries which are currently listed on the so-called “third country list”.
- Through bilateral equivalence negotiations whereby the EU and another country engage in negotiations related to the equivalence of their respective organic regulatory systems. Canada, added to the EU list in June 2011, falls under this category.

2. MEMBER STATE AUTHORIZATION OF PRODUCTS: THE IMPORTER DEROGATION (PHASING OUT)

The previous EU regulations, namely Council Regulation (EEC) No 2083/92, enabled the government authority with jurisdiction over organic standards in individual EU Member States to authorize an importer to import products from a country not included in the list of approved countries. This provision is commonly referred to as the “importer derogation”. For many years, it has been scheduled to expire at dates that were regularly postponed. The latest announced deadline for Member States to grant authorizations is July 1st, 2014, with all authorizations granted after July 2012 being valid for no longer than one year. In order for imports to be approved under this method, the importer must furnish the Member State with sufficient evidence to show that:

- The imported product was produced according to organic production rules equivalent to EU standards;
- The imported product was subject to inspection measures equivalent to EU inspection requirements;
- The inspection measures will be permanently and effectively applied; and
- The certification body operates in compliance with ISO/IEC Guide 65/EN45011.

Each importer must obtain a separate authorization for each imported product. If an importer imports the same product from different countries or with certifications from different certification bodies in the same country, a separate authorization must be obtained for each. Member States are required to notify the Commission of each authorization, and other Member States are subsequently notified.

The process to license the importer to import a particular product from a particular country not on the list of approved countries is the responsibility of individual Member States, not the responsibility of the Commission. Member States and even regional authorities implement this provision differently with respect to the nature of the evidence that must be supplied and the length of validity of the product import authorization. The inconsistency and lack of transparency under which this provision has been applied by the different Member States is one of the reasons for the desire of the EU Commission to phase them out.

3. COMMISSION APPROVAL OF RECOGNIZED CONTROL BODIES AND CONTROL AUTHORITIES FOR THE PURPOSE OF EQUIVALENCE (NEW MECHANISM)

The new Commission Regulation (EC) No 1235/2008 provides a mechanism under which private or public certification bodies conducting certification outside the EU may be approved directly by the EU Commission, on the basis of a technical dossier demonstrating their equivalence both on the standard level and on the conformity assessment level, with the EU regulations. This mechanism is open to both EU-based and non-EU based certification bodies. The EU Commission publishes a list of recognized control bodies and control authorities for the pur-

pose of equivalence. To apply for listing on this list, control bodies must obtain independent report on the equivalence of the standards and control measures applied. This independent report is provided by assessment bodies, among which are national accreditation bodies of the EU Member States and the IOAS (International Organic Accreditation Service).

The first list of control bodies recognized as implementing equivalent organic standards and control measures in third countries was published by the European Commission on December 6th, 2011. The list is published as implementing regulation (EU) 1267/2011, which amends previous regulation 1235/2008. The list of equivalent control bodies is entered into Annex IV of the latter regulation. This new piece of EU regulation will apply from 1 July 2012. The initial list includes 30 control bodies from around the world, most of which are based outside of the EU. The list will be regularly updated by the Commission, based on applications currently in progress and on applications that may be received by the Commission before October 31st of each year. The list contains for each approved control body the countries and the categories of products for which the control body has been approved.

An important aspect of this new mechanism is that it is deliberately aimed at encouraging the use of equivalent locally adapted standards, as opposed to using the EU regulations themselves. In fact, control bodies may not certify directly against the EU regulation under this mechanism. However, the extent to which the European Commission is ready to accept variations to its own regulation is not known, hence control bodies that have applied so far under this mechanism have adopted a very precautionary and conservative approach to the concept of equivalence (close to compliance). Aside from the lack of transparency in the criteria for acceptance of equivalence, this mechanism has been criticized as being a very lengthy review process (2 years to publish the first list), as well as being limitative in the scope of the approval. For example, control bodies may only be approved to certify for the EU market only in countries in which they are already providing certification, meaning that this mechanism is not conducive to the expansion of certification services in new countries.

4. COMMISSION APPROVAL OF RECOGNIZED CONTROL BODIES AND CONTROL AUTHORITIES FOR THE PURPOSE OF COMPLIANCE (NOT YET IMPLEMENTED)

In addition to the above, the new Commission Regulation (EC) No 1235/2008 provides another mechanism under which control bodies may be approved directly by the EU Commission as implementing standards and control measures compliant to the EU regulations. However, the European Commission has not yet opened the possibility of application for approval under this mechanism. The Commission has in fact communicated openly that its preference was to see the concept of equivalence, rather than compliance, applied to imports from third countries, and hence the decision to start with the equivalence mechanism and delay the compliance mechanism is a deliberate choice. It is not yet clear when this mechanism will be open for applications and when the first list will be published.

3.1.2 EXTENT OF IMPLEMENTATION

As of January 2012, ten countries are listed on the third country list as follows: Argentina, Australia, Canada, Costa Rica, India, Israel, Japan, New Zealand, Tunisia and Switzerland. EU and US negotiators in the process of negotiating a mutual agreement for equivalency, the realization of which will mean the streamlining of a large volume of organic trade.

A large amount of the organic products currently imported to the EU Member States is still authorized through the Member State authorizations. Direct approval of control bodies has not yet come into effect. The phasing out of Member State authorizations, associated with the geographic restrictions placed on approved control bodies for equivalence, may leave a

number of countries without any mechanism to access the EU market by 2015. The European Commission may however adjust the various mechanisms before mid 2015 in order to ensure full global coverage.

3.1.3 TRANSPARENCY

Although the mechanism of country recognition and listing on the approved third country list has been effective for more than a decade, there is still very little transparency on the actual process and the criteria under which equivalence is determined. According to the regulation, the European Commission cooperates with Member States in maintaining the list of approved countries. The Commission is nevertheless responsible to assess the dossiers of applicant countries. Decision is taken with the assistance of the Standing Committee on Organic Farming (SCOF), composed of representatives of the Member States and chaired by a Commission representative. In case of disagreement between the Commission and the Committee, the EU regulation framework foresees the involvement of the European Council and European Parliament. A short report of each Standing Committee meeting is published on the EU Commission website, however these reports are generally not informative as to the content of the discussion on equivalency reviews and decisions.

The EU Commission has however published Guidelines on imports, which explain how countries or control bodies applying for equivalence should go about demonstrating their equivalence. The guidelines mention the need to compare both the objectives and principles of the applicant standard with those of the EU regulation, as well as the need to conduct a side-by-side comparison of the standard's requirements with the EU rules. The guidelines also mention that substantial differences must be identified, and that outstanding issues may be resolved taking into account the Codex Guidelines (CAC/GL 32) for the technical requirements and "international best practice guidelines" for the conformity assessment requirements. The only example of such international best practice guideline provided by the Commission in this guideline is the IROCB.

The system of import authorization has been criticized for its lack of transparency, associated with the lack of consistency of decisions taken on a case-by-case basis by each Member State. This situation has resulted in consignments being rejected by one Member State and subsequently approved by another for entrance on the EU market. The system will be phased out, and it is expected that the new system of direct approval of control bodies by the European Commission will increase at least consistency. Stakeholders, and particularly applicant control bodies, have expressed the need for more transparency on the new system of direct approval, especially with regards to the criteria used by the Commission to judge equivalence of standards. To date, these criteria are not publicly known, and in fact, the Commission has left assessment bodies the liberty to define the methodology and the criteria for making a preliminary judgment of equivalence, which the Commission reviews. The system, although now under centralized oversight by the Commission, does not yet guarantee consistency in the approach of equivalency determination, nor does it offer a significant increase in transparency.

3.2 JAPAN

3.2.1 MECHANISMS FOR IMPORTS

The Japanese regulation contains two mechanisms to import organic products into Japan: 1) certification by a certification body registered at the MAFF (Ministry of Agriculture, Forestry and Fisheries), and 2) certification in a country whose organic regulatory system has been recognized as equivalent.

1. CERTIFICATION BY A MAFF-REGISTERED CERTIFICATION BODY

A Japanese or foreign certification organization approved and registered by MAFF can certify a foreign organic operator and register it at MAFF. Since 2006, registered foreign certification bodies have not needed to have their office in a country with an equivalent system, but can apply directly to MAFF for approval. This however requires the certification body to have staff knowledgeable in Japanese. According to the JAS law 2006, certification bodies have to follow ISO 65. Inspectors are normally free-lance but they have to be formally registered by MAFF to be inspectors.

Approved certification bodies can work with other certification bodies based on an agreement, limited to inspection. This is done through a “trust contract of providing inspection data”, provided that the certification body conforms to two requirements: 1) It is recognized and registered as a certification body by the government of the country, the local government, or an international organization with established reliability i.e. ISO, IOAS. 2) The organization has considerable experience as a certification body for organic foods.

2. RECOGNITION OF COUNTRIES WITH EQUIVALENT ORGANIC REGULATORY SYSTEMS

The legal basis for recognition of other countries lies in Article 15-2 of the general Law Concerning Standardization and Proper Labelling of Agricultural and Forestry Products. Organic products certified in a country that has a regulatory system equivalent to the Organic JAS system can be imported into Japan with the relevant Government certificate by a certified importer and be marketed as organic.

Most of the approvals include a number of restrictions, related to areas where MAFF has identified crucial differences between the standards of the “equivalent” country and the JAS regulations. Livestock standards are not part of the equivalence in any of the cases.

3.2.2 EXTENT OF IMPLEMENTATION

Japan has recognized Argentina, Australia, the EU-15 (i.e. the ‘old’ EU members), the US, New Zealand and Switzerland as countries having equivalent regulatory systems. As of 2009, there were a total of 41 certification bodies outside of Japan registered with the MAFF. Because several options exist to create avenues for import of organic products into Japan, there are opportunities for developing countries to access Japanese markets with their organic products. The main difficulty for foreign operators and certification bodies (in developed and developing countries alike) lies with understanding the Japanese organic regulatory system, due to the difficulty of access to information in English, as well as a different terminology that easily confuses the non-Japanese reader. An example of this is the use of the term “grading system” to mean the requirements applied to operators. The MAFF publishes and regularly updates an extensive question and answer section on its website (www.maff.go.jp) which provides some detailed guidelines, including on the options for imports of organic products and how to deal with them.

The possibilities for approved certification bodies to delegate inspections to inspection bodies in other countries enables coverage of countries with no approved certification body. For instance, Japan Organic and Natural Foods Association (JONA) works with certification bodies as inspection agencies in China, Argentina and Brazil.

Nevertheless, the cost and burden of market access is lower in the countries that Japan recognizes under equivalency, and this could confer some competitive advantage to these countries and their exporters and producers. Moreover, although the MAFF opened the possibility a few years ago for certification bodies to apply for approval regardless of whether they were based in recognized equivalent countries or not, so far only one certification body from a country that has not been recognized as having an equivalent system, i.e. from Canada, has been approved.

3.2.3 TRANSPARENCY

Japan has notified other WTO members of its regulations and agreements according to the provisions of Article 10.7 of the TBT Agreement, and it has translated its law and guidance documents into English. There is an extensive English language question and answer section on the MAFF website, along with numerous other technical criteria and guidance documents. The MAFF procedure and criteria for the establishment of the equivalency agreements is not accessible, and there are some minor but non-transparent exceptions to the equivalence agreements with the EU and the US on substances for use in organic farming. The list of MAFF-approved certification bodies, and the list of countries recognized as equivalent are not published on the English version of the “Organic Foods” section of the MAFF website, making this information difficult for the public to access.

3.3 UNITED STATES

3.3.1 MECHANISMS FOR IMPORTS

In the US National Organic Program (7 CFR Part 205) there are three official methods for meeting the requirement for importing organic products into the United States.

1. DIRECT ACCREDITATION BY USDA

Section 205.500 of the Final Rule for the National Organic Program empowers the United States Department of Agriculture (USDA) to accredit “a qualified domestic or foreign applicant in the areas of crops, livestock, wild crops, or handling or any combination thereof to certify a domestic or foreign production or handling operation as a certified operation.” Accreditation by USDA covers the operations of the accredited certification body worldwide, regardless of where the certification body is located. Once accredited, all certification bodies are to be treated equally, regardless of whether they are based inside or outside the US, and regardless of whether they are government or private programs. Furthermore, all accredited certification bodies are required by the Rule to accept the decisions made by all other certification bodies that are accredited or accepted by the USDA. Under the direct accreditation option, certification bodies and the operations they certify must comply with the requirements of the Organic Foods Production Act of 1990 and with the Rule in order for the products they certify to be sold in the US. The Rule covers both the technical regulation and the performance of conformity assessment.

2. ACCREDITATION BY A FOREIGN GOVERNMENT

In lieu of direct accreditation by the USDA, the USDA will accept the accreditation of a certification body by a foreign government if the USDA decides, upon the request of the foreign government, to recognize that government’s conformity assessment system, and also that the foreign government authority assures that the certification bodies can certify the production and/or processing to meet the requirements of the Organic Foods Production Act and the Final Rule. The foreign government would need to have a program to accredit a certification body to certify to the US standards, or optionally it would have to have national standards that are essentially the same as those of the US. The certification bodies operating under this option would be “approved” but not directly accredited by the USDA. In this scenario, USDA recognizes the equivalency of a foreign government’s conformity assessment system for certification bodies, but the certification those bodies perform for products exported to the US must be for compliance with the US technical standard.

3. COUNTRY EQUIVALENCY

Under this option, a foreign government authority that accredits a foreign certification body must operate under an equivalency agreement that is negotiated between the US and the foreign government. Certification bodies that are accredited by governments that have negotiated equivalency agreements with the US would be “approved” but not directly accredited by the USDA.

3.3.2 EXTENT OF IMPLEMENTATION

The USDA has directly accredited 41 foreign certification bodies (out of a total of 91 USDA accredited certification bodies). The predominant means of access to US organic markets by foreign countries is through direct accreditation.

The USDA has concluded one equivalence agreement, namely with Canada in 2009. The equivalence agreement with Canada contains three exceptions from the side of Canada and one from the side of the US. An equivalence agreement between the US and EU will be executed in the first quarter of 2012.

- The USDA has approved the following foreign government entities and their accredited organic certification bodies to certify compliance with the NOP regulation: Denmark, India, Israel, Japan, New Zealand and the United Kingdom.

3.3.3 TRANSPARENCY

The USDA publishes a comprehensive list of accredited certification bodies and applicants for accreditation on its National Organic Program website (www.ams.usda.gov/nop). The USDA also publishes accreditation audit reports of all its accredited certification bodies, as well as information related to appeals.

Also published are the records of the National Organic Standards Board, which advises the USDA on the organic regulation. The website includes a list of countries that the USDA is evaluating for approval and those countries with which it is engaged in equivalency discussions.

The experience of the US-Canada equivalence agreement has shown that equivalence has been determined through the following process:

- Each country has run a side-by-side comparison of their standards (Canada had already obtained equivalence status of its conformity assessment system with the US prior to 2009) and identified variations.
- Each country consulted with their national organic sector on the significance of the variations identified, and took this input into consideration to determine that the foreign organic regime could be considered equivalent.
- Variations which were considered too critical for each party to be resolved through equivalence became exceptions in the final equivalence agreement. Operators must ensure that they meet the respective exceptions in order to trade between the two countries.

The US and Canada have been very transparent (*vis-à-vis* their own stakeholders and outside) about the way that they have conducted equivalence negotiations.

3.4 OTHER COUNTRIES WITH LEADING APPROACHES IN EQUIVALENCE RECOGNITION

For reasons of conciseness, this paper focused on describing the trade-enabling mechanism implemented by the three major importing regulated markets for organic products. There

are however an increasing number of countries with organic standards or regulations, some of which are mentioned here for their innovative and leading approaches towards equivalence recognitions in the organic sector.

Australia has developed a national organic standard (AS 6000) and a national procedure for certification of organic and biodynamic products (MP 100), but has not yet established a specific regulation for sales of organic products on the domestic market. To protect consumers, there exist general consumer protection laws which, associated to the existence of the national standard, make it possible to remove fraudulent organic products from the Australian market. As a guidance to the consumer protection authorities, the MP 100 has published an appendix which details the requirements to determine the acceptability of other conformity assessment systems for imported organic and biodynamic products. The approach taken with regards to imports is the one of 'equal reliability'. Appendix C contains a link to the Table of already approved Acceptable Conformity Assessment Systems, Competent Authorities and Accreditation Bodies that is located at: www.jas-anz.org/MP100. Approved systems include several major organic regulated markets, as well as the IFOAM Basic Standards and the standards listed in the IFOAM Family of Standards, paired with conformity assessment to these standards that is supervised either by the International Organic Accreditation Service (IOAS) or a member of the International Accreditation Forum (IAF). The approved systems are decided by a technical committee composed of government and private sector stakeholders.

Saudi Arabia, a country with a domestic regulation in place, has adopted a similar approach of unilateral recognition of multiple standards, through the recognition of the IFOAM Family of Standards. The Saudi Arabia organic regulation bases its import rules on the concept of equivalence, and provides the basis for its competent authority to establish a list of recognized equivalent standards. The Minister of Agriculture specified in a letter to IFOAM that it recognizes the IFOAM Family of Standards as a basis for the approval of equivalent standards and regulations. This, his technical advisers clarified, means that products certified according to any standard or regulation approved in the IFOAM Family of Standards automatically satisfies Article 32, point 1 a, of the Saudi Organic Regulation, meaning that these standards are recognized as equivalent to the Saudi organic regulation production rules without the need of further assessment or listing from the side of the Saudi competent authority.

In both these cases, the publication of the open approach towards recognition of equally reliable systems or equivalent standards is recent (2010 and 2011). It is therefore too early to assess the impact of such approach, especially considering the fact that Australia remains a so-called non-regulated organic market. However, it is clear that the two countries have shown leadership in the adoption of a new approach to equivalence: the unilateral recognition of multiple standards based on equivalence against one international reference norm (the COROS) as determined by IFOAM. This approach appears resource-efficient as compared with previous and existing approaches of unilateral equivalence determination of individual countries or control bodies' standards, or bilateral equivalence negotiations and agreements.

4. INTER-GOVERNMENTAL BODIES

4.1 CODEX ALIMENTARIUS

The statutes of Codex Alimentarius refer to harmonizing objectives, including the following:

- Promoting coordination of all food standards work undertaken by international governmental and non-governmental organizations.
- Finalizing standards ... and, after acceptance by government, publishing them in a Codex Alimentarius either as regional or world wide standards, together with international standards already finalized by other bodies ... wherever this is practicable.

This section analyzes the degree to which the Codex Alimentarius has already influenced harmonization of organic standards and conformity assessment internationally, and in this regard it primarily addresses the work of the Codex Alimentarius Committee on Food Labeling.

4.1.1 GUIDELINES FOR ORGANICALLY PRODUCED FOODS

Guidelines for the production, processing, labeling and marketing of organically produced foods (CAC/GL 32 -1999) were developed by the Codex Alimentarius Committee on Food Labeling. They are intended to facilitate the harmonization of requirements for organic products at the international level. The Guidelines were first published in 1999, then underwent 4 revisions (the last one in 2007) and 3 amendments after the last revision (last amendment in 2010). Recent amendments are mostly on the lists of permitted substances.

Initiated in 1993, the Guidelines have been designed as consistent with, although not identical to, the IFOAM Basic Standards, which the Committee took into account (along with the EU Regulation 2092/91) during the development processes.

INFLUENCE ON HARMONIZATION

Of the three regulations covering the major importing regions the EU, Japan, and the US – only Japan has acknowledged the use of Codex as a reference in formulating its national organic standard. The MAFF regulation was developed between 1999 and 2000, and could more logically reference the Codex standards. In contrast, the development processes of the EU Regulation 2092/91 and the USDA NOP were initiated in the early 1990s, well before Codex had finalized its Guidelines. In the past decade, many countries or regions that have developed, or are in the process of developing, an organic standard or regulation have taken the Codex Guidelines into account. The last example is the Central American countries, which drew heavily on the Codex in the process of drafting their *Regional Standards on Organic Production for Central America, the Dominican Republic and Panama*.

Codex Alimentarius Guidelines, like IFOAM Basic Standards, serves as a guidance document for the development of national and private standards. For example, India based its technical organic regulation on the IFOAM Basic Standards and Japan referenced Codex in the establishment of its regulation.

INFLUENCE ON EQUIVALENCE

A few regulations refer to the Codex Guidelines in their import section, indicating that their assessment of equivalency shall take into account Codex Alimentarius guidelines CAC/GL 32. This is notably the case of the EU regulation. However, what this means in practice and what

is really the use and impact of the Codex Guidelines when it comes to judging equivalence between two regulations has yet to be demonstrated.

TRANSPARENCY

The process to develop Codex Guidelines is designed for transparency. In the particular case of the organic guidelines, the establishment of a Working Group within the Committee for Food Labeling has enhanced transparency of the development of the documents. The Working Group is accessible by stakeholders who are given opportunity for input at sessions during the annual Committee meetings and also access to drafting groups in between meetings. Documents, including those under development, are publicly available on the Codex Alimentarius website.

4.1.2 INSPECTION AND CERTIFICATION

The Codex Guidelines for the Development of Equivalence Agreements Regarding Food Import and Export Inspection and Certification Systems (CAC/GL 34 -1999) provide a preliminary framework for the establishment of equivalence agreements on the certification system. These guidelines provide useful concepts and considerations for countries wishing to work towards bilateral or multilateral agreement. These include: the need of objective criteria for determination of equivalence, aspects to take into account to set priorities for assessments given resource constraints, aspects to be defined in the scope of equivalence agreements, and possible content of equivalence agreements. The guidelines also mention the need to approach equivalency determination under the principle that different regulations can meet the same objectives. Another recommendation made in the guidelines is for countries to provide an opportunity to the public to comment on the proposed content of their equivalence agreements, in order to enhance public confidence in the agreement.

4.2 ISO GUIDELINES

Among the Guidelines published by the International Organization for Standardization (ISO) is the ISO/IEC GUIDE 65:1996(E) "General requirements for bodies operating product certification systems." This guideline has had a significant impact, including in the organic sector, on the international harmonization of conformity assessment at the level of certification. In the organic sector, this influence began when the EU Regulation 2092/91 required that inspection bodies conform to the provisions of EN 45011, an EU regulation that is almost identical to ISO Guide 65. Subsequently, IFOAM Accreditation Criteria have substantially incorporated ISO 65. The USDA Accreditation Program also references ISO Guide 65. More recently, MAFF-Japan started to reference ISO Guide 65 in the conditions to become MAFF registered.

ISO Guide 65 is oriented toward product certification, and not process and production method (PPM) certification, which is conducted by organic certification bodies. This has created some gaps in the practical application of ISO 65 in the organic guarantee systems. IFOAM Accreditation Criteria and the IROCB, are two sets of requirements that include all the relevant requirements of ISO 65 as applied to organic certification, although the requirements are stated and organized differently. ISO Guide 65 is being revised into ISO Standard 17065, which is expected to be finalized in mid-2012.

5. LIMITATIONS OF THE CURRENT SYSTEMS

While a host of limitations of the current systems to bring about international harmonization and equivalence could be enumerated, the section below focuses on selected limitations.

5.1 GOVERNMENT SYSTEMS

5.1.1 SYSTEM NOT BASED ON A BODY OF INTERNATIONALLY RECOGNIZED STANDARDS

Of the three government regulations responsible for controlling the majority of imported products, two (EU and USA) were not built on a foundation of relevant international standards and common principles. This makes it more difficult to design a harmonized approach to equivalence. Only the Japanese regulation was developed at a time when it was possible to reference a well developed Codex international guideline, but the Japanese regulations have added some significantly different provisions, most notably, the “grading” requirements. Among the other countries, a number have based their regulation on the Codex guidelines, but often taking into account other references, notably the IFOAM Basic Standards, the EU regulation and the US regulation. There appears to be no noticeable correlation between the extent to which regulations are based on Codex Guidelines and their ability to be recognized as equivalent.

5.1.2 NO OR FEW PRECEDENTS FOR MULTILATERAL AND BILATERAL EQUIVALENCE

Mutual equivalence agreements between governments are relatively rare, even for technical product specifications where they are presumably easier to achieve than for product and production methods (PPM) requirements. In the case of PPM, which are reflected in organic standards, there is no precedent for forging mutual equivalence under a common international system. Individualized, and non-harmonized bilateral processes for equivalence lack transparency and consistency.

5.1.3 NO INTER-GOVERNMENTAL MECHANISMS FOR MULTI-LATERAL EQUIVALENCY

There is currently no one accepted inter-governmental mechanism for negotiating multilateral equivalency. Lacking a means for multilateral equivalency, the number of bilateral equivalency agreements required to achieve equitable global harmonization is very high. There are already more than 70 countries with an organic regulation in place or under development, representing about 35 different organic regulations (as all EU countries have one common regulation). To achieve global equivalence through unilateral equivalence assessments would mean that nearly 1200 equivalence assessments would be needed. Using bilateral equivalence assessment processes would take this number down to about 600, still representing an unbearable burden for competent authorities in charge of the organic sector worldwide.

Now that IFOAM, FAO and UNCTAD have established the COROS (Common Objectives and Requirements of Organic Standards), it could serve as a harmonizing baseline for multi-lateral equivalency assessments of standards and likewise IROCB could serve the same for certification requirements. This is happening to some degree. Under the GOMA project, several countries in South-East and South Asia are developing a framework for cooperation on organic labeling and trade which utilizes COROS and IROCB to assess multilateral equivalence. IFOAM is offering a multi-lateral equivalence option for organic standards based on COROS assessments as a service to both governments and the private sector under its IFOAM Family of Standards. However this service option has not yet achieved momentum. One challenge for uptake of the COROS is the apparent reluctance of governments to accept equivalence

against a common international reference norm as a proxy of equivalence against their own regulation. This could also explain the lack of impact of the Codex guidelines in the processes of equivalence determination.

5.1.4 EXISTING AND PENDING GOVERNMENT DETERMINATIONS OF EQUIVALENCY ARE NOT TRANSPARENT

Lack of transparency relative to the criteria and processes for establishing existing and pending equivalency agreements is a barrier to creating broader equivalence. Furthermore, non-transparent equivalency determinations may not withstand the scrutiny of trade rules. Lack of transparency undermines stakeholders' understanding of the concept of equivalence. It both affects the credibility of the process, and its potential to depart significantly from the compliance approach to imports.

5.2 PRIVATE SYSTEMS

5.2.1 LITTLE INTEGRATION INTO THE GOVERNMENT REGULATORY SYSTEM

Although IFOAM has set-up various mechanisms that enable multilateral equivalence, these mechanisms are still not integrated into the government regulatory systems as noted in the previous section. Historically, governments regulating organic agriculture and labeling have been reluctant to recognize and use the private sector's systems.

The IFOAM Organic Guarantee System includes multilateral recognition through an MLA among certification bodies, which is based on compliance with the IFOAM Basic Standards and IFOAM Accreditation Criteria. However this mechanism has no integration with the government regulations. The MLA is losing relevance under the ubiquity of government compulsory organic regulations. As noted earlier, more recent service offers to governments such as the Family of Standards are relatively new and have not yet achieved momentum.

6. CONCLUSIONS

International trade of organic products has been cobbled together and is working on a basic level. Many exporters have found a mechanism (given a particular export opportunity) to gain import authorizations in a destination country. Certification bodies are increasingly cooperating to help move organic products in the trade channels. All three of the major regulations provide various options for accepting imports. As seen in the EU regulation, there has been an increasing emphasis on equivalence to approve imports as opposed to only compliance approaches. Several bilateral equivalence agreements between major trading partners have been signed, which substantially improve trade flows. However, these do not mean any better access for producers in developing countries.

Through the partnership of FAO, IFOAM, and UNCTAD, equivalence tools are available to increase the efficiency and standardization of the equivalence process. These tools afford the prospect of multilateral equivalence, which can advance equivalence significantly compared to unilateral and bilateral approaches. Governments have begun to experiment with these tools, but they have not yet been widely used. Also, IFOAM's private international system offers several services to the private sector and governments to support multilateral equivalence, and which could extend the scope of equivalence to developing countries and their producers. Despite recent advances, the current situation is inefficient and many producers undoubtedly still face insurmountable obstacles to some international markets because of the high cost of compliance with multiple organic regulations and no channels in many countries for equivalence approaches.

Until governments begin to use common equivalence tools and multilateral approaches, there will be bottlenecks in achieving efficiency gains toward widespread international equivalence, and producers in developing countries will continue to be disproportionately excluded from international organic markets.



Global Organic Market Access

a project of FAO, IFOAM and UNCTAD

www.goma-organic.org