

Grower Group certification

(EU: Group of Operators)

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Challenges for smallholder farmer' groups

- Organised in an ICS, sometimes managed by a cooperative, sometimes by a company sourcing from them.
- Quite a variety, small and large, single crop or a range, one or more for export and rest local markets, older - well organized, younger, smaller – vulnerable
- Smallholder farmers producing coffee & cocoa, banana & pineapple, nuts, herbs & spices, wild collection, oilseeds, dried fruits, low and high value crops
- Responsible for majority of imports into EU and into US, raw materials or ingredients
 - *Coleacp webinar 17 February 15:00-16:00 hrs: Future EU and UK organic regulations: potential impacts on trade with Africa.*
 - *IFOAM OE/EOCC webinar 18 February 16:00-17:30 hrs: EU regulatory changes, effects on International Trade*
 - *FIBL webinar 19 February 12:00: ICS current and future challenges*
- Disruption of trade, \$\$\$, integrity aspects

New EU organic regulation (EU 2018/848) with delegated acts

- Not yet published (14Jan Implementing Regulation final)
 - laying down detailed rules for the implementation of Regulation (EU) 2018/848 of the European Parliament and of the Council on controls and other measures ensuring traceability and compliance in organic production and the labelling of organic products
- Group certification also allowed in EU, leading to changes in requirements for grower groups in global south
- Lot of impact on existing and new GGs in the global south, not sure of any uptake in Europe.
- Consequences particularly for company managed grower groups and smaller GGs with limited turnover

New USDA SOE rule

- Formalises requirements for grower groups (used to follow EU and IFOAM guidance)
- Not so strict, descriptive. Not for US farmers

Equivalence

- Some overlap, difference in terminology
- Both sides change and are in a trade agreement that is based on equivalency.
- Requirements changing, interpretation and implementation to be seen
- Responsibility that a group can be easily certified to both regulations, and more.

Background:

- Never enforced decertification of entire group due to failure of ICS.
- While there are regularly problems with integrity
- Ability to sanction, de-certify an identified group, product.
- Reflected in group's organisation, ICS, traceability, external certification

1. Each group to form legal personality

- Legal basis to certify, sanction etc.
- Independence from processor/exporter
- Registration, board, bank account, office
- While in the prologue (6) in the IR it says *GoO should be able to generate sufficient resources to establish an efficient ICS relying on qualified staff*
- While developing farmer organisations that can implement an ICS needs long lead times
 - Absence of capacity, competence in the communities
 - Infrastructure (power, telephone and internet connection) lacking

2. Limit to size of group

- Max 2.000 (was 500 in earlier draft)
 - Guarantee good management, communication, implement measures
- Only smallholders - larger farmers, processing unit: individual certification
- Requires re-organisation, also of well functioning groups

3. Each group 'own' ICS

- EU wants farmers to operate, own, are responsible for their ICS
- Do not want the (external) processor-trader to manage it
- Can be same format as company ICS but limited to the group.
- Own (trained) ICS inspectors
- Own ICS manager who can communicate with CB
- Take measures in the event of suspicions
- US expects larger groups to form subgroups

4. Different control rates

- EU: of the group 10% unannounced and 10% additional
- EU: of the farmers minimum 10, 5% re-inspected
- EU: 2% sampling, annually, accredited laboratory
- US: 1.4% farmers
- US: training requirements inspectors and certifiers
- Risk assessment?

Questions, consequences

- Does not fit the wide diversity in the GoO-GG
- Comply by 01Jan2022. Time to adapt to the 2.000 number by 01Jan2025
 - Operators, even CBs hardly know about this
- Regulations for legal personality very different, different government attitudes
 - Lack of capacity to establish the legal entity, embed the ICS in it
 - Lack of human resources, of basic infrastructure, who pays
- Interpretation: company must delegate or continue with central management
 - Who organises the inspection, communicates with the CB
 - Who holds the certificate, is responsible, intervenes in case of irregularities
- External inspection more expensive due to sampling (lack of local labs)
 - While good external inspection, risk based is more effective and cheaper
- Significant increase of organic premium required
 - Less money and attention going to farming practices, inputs, weakening organic integrity

- Commercial operators say it is destroying their value chain
- Cannot control, cannot guarantee organic quality when delegating to farmers
- Exporters do not expect the market to pay for structurally higher costs
- Disruption of supplies in 2022

While

- Root cause of presence of prohibited substances is not addressed
- Use of risk assessment at various layers ignored
- Group (internal) responsibility not really addressed
- Field certification vs whole farm conversion, single product focus
- The requirements are a significant barrier to start new groups

Solutions

- Formulate and communicate concerns as a sector
- EU & NOP and local CBs to develop common interpretation for different situations and test these with authorities
- FIBL is doing some research (needs assessment, solutions) – situation needs more research
- GLZ is funding to build capacity to support existing groups to re-organise - needs more donors
- EU and US to harmonize to avoid problems with equivalence