

Alliance Organic Supply Chain Observatory

Addressing system weaknesses - 'hotspots'

- The organic market grows with double digits
- Ample opportunity for new irregularities (incl. fraud, 'scandals')
- Which leads to bad image of organic, to false and unfair competition, a frustrated market
- While there is knowledge about high risk product in the market among traders and processors
- Handling fraud through the regulatory system is seen as too little too late by the trade
 - Certifiers, authorities unable to react adequately
- Trade has a responsibility, should take some responsibility to clean the house

Proposal

- **Identify 'hotspots' and address through market reaction**
 - Assists in prioritising **market surveillance**, increased oversight
 - Analyses, learning results in inspection, certification to be more preventive - effective

Market information, communication, investigation

- AOI as a global multi-stakeholder alliance, creates an ‘Observatory’
 - On international trade, the imports segment, mainly from third countries
- **Data collection** from companies, maybe CBs
 - Regular collection of ‘market’ information
 - Constant filtering, grading, analyses, seeing patterns and trends
- **Top 10** ‘published’, communicated (initially to subscribing companies)
 - Causing awareness, market sanitation and regulatory reaction
 - High risk CCS are prioritised for more oversight, synchronised action
- **Investigation** of the supply chains
 - Using certification system and expert investigation
 - Requires demand, mandate from the trade and authorities
 - Identifying weaknesses, multi-stakeholder learning

Next steps, phase 1

- Requires seed funding (\$100K in 2021)
- Project coordinator 2+d/w, a Working Group for brainstorming, a Steering Committee
- Develop global partnership. Network of correspondent companies. Experts group
- Develop format for data collection, its analysis, communication
- Develop format, approach of investigation
- Requires legal advice, ICT experts, communication and marketing strategies
- Presentation, consultation through webinars, trade shows, learning events
- Test run 3 case studies
- End of 2021 address governance, ownership, housing, self-financing
- Launch in 2022

The first 3 test cases

- Feed grains from the Black Sea region (corn)
- History of irregularities, quantities, CB hopping, publicity
- Long invisible supply chains, mixing, fumigation
- EU COM and USDA action, limited results
- **Cotton (India)**
- Unrealistic production, false TCs, fake but authenticated certificates
- Action by scheme owner GOTS banning companies, naming CBs
- Replacement of supply? (sesame ditto)
- **Bananas (Ecuador)**
- Long history of residue findings, with sampling, disease mgt, fertilisation
- CB competition. Double certification
- Absence of coordinated action