

Regulatory matters, markets and consumers in organic

Gerald A. Herrmann, Director Organic Services GmbH, Germany

Regulations, standards and harmonization in organic systems

Today about 70 nations have introduced regulations. Several hundred private standards are applied where no regulation has been introduced yet or in addition to regulatory standards. Regional standards are not yet many, but the success of the establishment of a shared East African Standard has proven that regional cooperation is another way to go.

Unfortunately most of the regulations or standards are not harmonized even if they all have been or are still built on one basic standard, the IFOAM Basic Standard. So similarities are far higher than the differences among them. Still the differences – minor as they are in most cases – are the reason for that barriers to market access are still prevalent to many producers, because the costs associated to jump over these barriers are significant.

Governments and the private sector are increasingly aware of these problems: The public sector has signed some equivalence agreements, has established a system of global accreditation of certifiers to the respective regulatory standard or found other alternative routes to market acceptance. Still, the regulations which are market dominating are not harmonized. We see some movement with the US – Canadian agreement, and negotiations going on between the EU and Canada, but harmonization is not in sight.

The private sector's initiative circles around the IFOAM Accreditation Programme with certifiers accredited signing a multilateral agreement. This agreement foresees the general acceptance of other IFOAM accredited private certifier standards as equivalent without or with additional standard differences which still need to be met by other accredited certifiers. Since this agreement has been signed first, the number of additional requirements has come down significantly.

If strived for, harmonization needs to be accomplished on two levels: for the applicable criteria against which certifiers are accredited and for regulations / standards as such. The harmonization initiative which was started by IFOAM, UNCTAD and FAO years ago needs time and persistence, but first achievements have been made with the adoption of two mechanisms:

1. The IROCB (International Requirements for Organic Certification Bodies) is a set of performance requirements for organic certification which shall be commonly applied by authorities and private accreditors when accrediting certifiers. It is a normative document based on the requirements of ISO Guide 65 and adapted for the organic sector. In IROCB, some requirements of ISO 65 are restated in an organic-sector context; and additional requirements common to government organic regulations and private organic guarantee systems are included.
2. EquiTool is a tool for determining equivalence between organic standards for organic production and processing.¹ It contains elements and procedures, including an option for assessing an organic standard based on international standards and an option for assessing a set of (two or more) individual organic standards. The guide includes criteria, drawn from the IFOAM system, which can be used to assess whether specific

¹ Standards incorporated in government regulations are called "technical regulations." EquiTool could also be used as a blueprint in international equivalence processes such as IFOAM's program for recognition of other standards.

differences within organic standards can be rationalized in the context of equivalence. EquiTool can be used by governments as well as private organizations.

Market development

Despite of the complications of non-harmonized systems, market development took advantage of regulated environments providing legal security. This was most important for the so called conventional trade and retail who were often hesitant to step into the organic market while organic pioneers took active part in its development, the development of standards and the private system.

Today the organic guarantee system is developed in detail and has extended its scope to non-food items like textiles and cosmetics. Although detailed and somewhat overcharged, the system is far from being perfect. When importing from some countries and regions around the world, importers, traders and other market actors do not always trust certification. Also, media have started to investigate whether organic certification is waterproof. The average consumer raises questions about whether a product labeled as organic is really organic.

Despite all these insecurities the organic system is the best ever food quality management that has been established and should therefore be trusted. This message needs to be communicated with specific emphasis on the fact that it represents the only product chain certification for food.

Parallel to establishing market credibility, other important elements for successful market development need to be considered as well. It makes much sense of compiling all elements into one coherent "Action Plan". If developed by all stakeholders and supported by the country's administration and funding, it could be a powerful tool supporting fast and successful market development.

A common logo – public, private, regional or even international (as for non-food products like textiles) is important. The organic claim is easier understood and products are easier identified by the consumer if communication is kept simple with one organic logo. On the other hand a certain complexity of logos must not be negative if each logo carries a unique value and message.

Other important elements for successful market development are manifold. At last year's 1st International conference on the organic sector development which took place in Kiev a full session was dedicated to the establishment and experiences with action plans. I would like to refer you to the proceedings of this conference. Examples like the European Action Plan as well as national action plans can be found on the IFOAM EU-Group's website.

There is no need to highlight the successes of the last 25 years here, they are obvious. The organic market grew from selling out of barns to an international (convenience) food industry. Organic products are of high quality and taste. Markets have given access to small producers and established fewer barriers than often found in conventional trade. Organic has created hundred of thousands of jobs and thus has been and still is an enormous benefit especially for the rural population.

Organic is far from being perfect, it has its problems in production as well as in manufacturing, copper may serve as an example. The system needs to be further developed. Furthermore, a general tendency can be observed: mainstream is more important than innovative development and improvement of the system.

Consumers in organic

Communicating the benefits of organic is crucial. Organic is not just a system; it is probably the most suited solution for the world's agrarian and food system problems of today. The IAASTD, the UN World Agrarian Council, has supported that a radical change in the current agrarian system is overdue. Furthermore scientific evidence supports that organic is the best solution for feeding the world's population. The advantages of organic agriculture range from soil fertility, water management, biodiversity, climate, healthy food to cultural and social aspects and a better livelihood. Finally the avoidance of chemical synthesized substances in the whole food chain as well as of genetically modified organisms is crucial. Thus, organic food and farming should be made a top priority in public policies on all levels.

Especially today, in a world suffering from an economic and moral crisis many people are insecure and seeking guidance. (Re-)affirmation about the benefits of organic food and farming for the world at large represents such guidance. Communicating the benefits of organic is an important stabilizing element for the market as organic consumers are less susceptible to changing their consumption habits because they know why they are spending for organic food. Just these days organic sales figures of the first half year 2009 in Germany were published showing that there is a negative trend in conventional sales channels compared to a (small) growth in the traditional organic sector, underlining the argument made.

However there are some issues that need to be tackled when it comes to the every day buying decision. Is organic attractive enough? It needs to be noted that it is much harder to reach out to young consumers. The conventional industry might be bypassing organic on strategic issues like traceability. Is biodiversity conservation or water scarcity taken into account when producing organically? What about typical, local, regional food and supply chains?

The success of organic with the consumer has triggered other organizations and companies to offer attractive messages as well. Their systems might not be perfectly organic or even not organic at all, but they offer other key arguments and focused messages. Among them are many sympathizing with organic or overlapping with the organic concept but others are just offering what they call "sustainable" solutions: Slow Food, Fairtrade, Rainforest Alliance, Marine Stewardship Council, geographic indications, biodiversity specialties, Forest Stewardship Council, shade or bird friendly coffee etc. If the organic message is not adapted to this changing environment it may happen that consumers will lose at least part of their loyalty to organic products. It should be avoided that organic will just be one slogan within a broad range of claims while organic actually is the only systematic approach for solving all singled out topics within one system. At the same time it should be avoided to overload "organic".

Finally the issue of credibility is decisive. As organic represents the only full product chain approach in standards, certification and accreditation, reliability is much more difficult to achieve, especially when organic is still at an infant stage like in emerging organic markets. Consumers do not care about our problems – they just want to be on the safe side. This is the promise given, the sector is proud of. Any doubt in the credibility of the system will have a significant affect on the buying choices.