

Harmonization & Equivalence

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Asian Network Formed at the GOMA Workshop in Shanghai

Participants from 12 countries in East, South-East and South Asia, meeting at GOMA's workshop in Shanghai, China, from 27-29 May 2010, have declared their intent to move forward on concrete measures to reduce and avoid barriers to trade of organic products in their Region. Workshop participants were from Bhutan, China, Cambodia, India, Indonesia, Japan, Laos, Malaysia, Myanmar, Philippines, Thailand and Vietnam.

The workshop included government officials with direct or indirect interests in organic standards and certification and invited participants from national umbrella organizations and certification bodies in the Region. BioFach China generously provided the venue for the workshop. China Green Food Development Center, part of the Ministry of Agriculture, co-sponsored the workshop with GOMA.

A [Scoping Study](#) for the Region, commissioned by GOMA, was presented and discussed at the workshop. The study includes information about the characteristics and scope of organic agriculture, trade and regulatory systems in the Region; and it presents options for creating a framework for regional cooperation on trade of organic products, both for countries that regulate organic commerce and those that do not.

Participants formed an open-ended public-private network for transferring knowledge and paving the way toward a framework for regional cooperation on organic labeling and trade. They also identified concrete actions to move forward. Efforts will be made to

expand the network to include key stakeholders from other countries and territories in the Region such as South Korea, Malaysia, Taiwan Province of China, and Sri Lanka.

“Enthusiasm of this group for cooperating on organic trade and development was impressive,” noted Dr. Sophia Twarog, UNCTAD’s representative on the GOMA Steering Committee. “They realize the rapid pace of organic agriculture development in Asia and want to create efficient organic markets both within and beyond the Region.”

The Participants agreed to work on initiatives for harmonization, equivalence and cooperation among certification and accreditation bodies in the region. Specifically, they decided to develop a regional organic standard, which could be adopted or referenced by countries without standards and which will also serve as a reference for assessing equivalence among existing organic standards within the region. Development of this standard will be carried out in a public-private cooperative process with ample stakeholder consultation. The Standard will be based on core international norms and minimum regional requirements. “We will ensure that all the relevant stakeholder interests are included in this standards development process,” declared Andre Leu, IFOAM Vice-President and GOMA Steering Committee member. “This includes government agencies, producers, certification bodies, traders and umbrella organizations.”

The workshop also produced several expressions of interest for specific countries to work with each other on equivalence. e.g. Indonesia and Philippines. China and Thailand have begun equivalence dialogues, and are now arranging technical assessments. The working group will identify and encourage additional equivalence processes, which will be facilitated by the two Tools developed by the International Task Force, a project that preceded GOMA. These are the *Guide for Assessing Equivalence of Organic Standards and Technical Regulations* (EquiTool) and the *International Requirements for Organic Certification Bodies* (IROCB). Several countries, such as India, agreed to use the Tools in future bilateral negotiations on equivalence.

Participants also heard about the work of Certification Alliance (CertAll), a group of certification bodies in the Region, which aims to create a one-stop-shop and other efficiencies for operators seeking certification, to give them access to multiple local and international markets. It is a platform that can develop to include other certification and accreditation bodies and expand regional cooperation in certification and accreditation.

A general working group and a sub-group to oversee standards development are being formed to carry these initiatives forward with support from GOMA. The GOMA project will undertake comparative studies and other technical preparations and arrange meetings of the working groups. The general working group will meet next December in Mumbai at BioFach India/India Organic.

The [Workshop Report](#) and several presentations from the workshop can be downloaded from the GOMA Website in the section on Regional Initiatives/Asia.



Codex Alimentarius Will Expand Scope of Organic Guidelines

The Codex Committee on Food Labeling (CCFL) has approved new work to expand the scope of the Codex Organic Guidelines to include aquaculture. The decision was in response to a proposal for new work on aquaculture brought forward by the European Commission. Delegates to the Committee considered arguments for and against beginning the new work but eventually reached consensus to recommend the new work to the Codex Alimentarius Commission, which reviews and approves the decisions of all Codex Committees. The development process for the aquaculture standards is expected to be lengthy, considering the diversity and complexity of aquaculture systems and also that international consensus has not been achieved on key issues. For fish, these issues include confinement of fish in net pens, feeding of fishmeal to carnivorous species and whether wild harvesting of aquatic organisms fits within the scope of organic production and labeling. The scope of aquaculture can include both plants (seaweed) and various animal species ranging from large finfish to various mollusks and crustaceans.

The European Commission has been invited by CCFL to propose the language for guidelines on organic aquaculture. In the European Union general rules for aquaculture are included in EC 710/2009; however several issues, old and new, may be reviewed and regulatory revision is thought to be possible by 2013. In the United States, rulemaking on organic agriculture has not yet been initiated, although the National Organic Program received detailed technical recommendations on aquaculture from the National Organic Standards Board in 2008 and 2009. A few countries currently include aquaculture within the scope of their organic standards, although these constitute the minority of current organic standards. For this reason, some have questioned whether the development of organic aquaculture guidelines is premature. Argument on the other hand is that development of an international guideline can promote harmonization of these standards at the outset.



GOMA Helps ISO 65 Revision to Take Organic Agriculture into Account

The International Organization for Standardization (ISO) is preparing ISO 17065, which transforms ISO Guide 65 into the new ISO Standard, 17065, for *Bodies Certifying Products, Processes and Services*. There are two important changes. The first is that this will be a standard, not a guideline. The second is that ISO is now formally recognizing that this standard will apply not only to product certification, which focuses on measurable product characteristics, but also to processes (e.g. organic agriculture) and services. The latter change is notable because the main application of certification in the past has been to industrial products, and agriculture has not been so much in the picture. But as the world has moved from an industrial age to an information age, processes and services are increasingly important. Organic product labeling has the distinction as the only sector that is regulated by many governments according to ISO-65, even though the document applies mainly to industrial product certification.

Why is GOMA Involved?: Several of the requirements of ISO Guide 65, such as product testing, are irrelevant to organic certification. GOMA included in its workplan, to advocate at ISO, that the new standard will be more applicable in the context of organic agriculture. IFOAM gained a seat as D-Liaison on the Working Group 29 of the Committee on Conformity Assessment (CASCO), and sent representatives to its meetings in 2009 and 2010 to advocate on behalf of the GOMA objectives. The Working Group 29 Committee is dominated by members from Certification and Standards interests in the ISO world.

Results: The GOMA/IFOAM representatives made many interventions that contributed a process perspective and avoided inclusion of prescriptive details coming from the perspective of product certification. GOMA's representatives – the only ones exclusively from agriculture – educated the Working Group about the applications of certification to a sector that had been previously overlooked by the committee. GOMA representatives also asked the Working Group to be mindful of scale – so that the resulting standard is feasible for small certification bodies in developing countries as well as large- scale certification bodies in the developed world. The final Committee Draft will be sent to ISO members for voting and comment in August, although the path to finalization of the document extends to early 2012. The draft contains some provisions that will no doubt still be challenging for small scale organic certification bodies, for example, new requirements to avoid conflict of interest. But overall, the draft is now more suitable to process certification, such as organic farming.

Contributed by Diane Bowen, GOMA Project Manager



USDA Deputy Administrator Outlines New (and Old) Directions for NOP Accreditation

In its March 2010 issue, our media partner, *The Organic Standard (TOS)*, published an interview with Miles McEvoy, whose appointment as Deputy Administrator of the NOP in September, 2009 was praised by the organic community in the US and beyond. The interview touched on several issues related to NOP certification and accreditation conducted outside of the United States, and on equivalence. GOMA is keeping in touch with NOP about our work, and will continue to explore with NOP if and how the ITF/GOMA Tools for Equivalence could assist in future equivalence processes. In the meantime, because the US market is important to many other countries' export opportunities for organic products, we are disseminating the recent perspectives from USDA on how its accreditation and international programs might change in the future, and also where changes will probably not occur.

NOP's International Activities

TOS: Many TOS readers are interested in NOP's relationships with organic regulatory systems in other parts of the world. A recent report to NOP accredited certifiers noted that the NOP's Accreditation and International Activities Division is responsible for foreign recognition agreement and equivalency agreements as well as direct accreditation of certification agents located outside of the US. NOP regulations allow for non-US certification bodies to be granted NOP accreditation through recognition agreements between NOP and a foreign government. What does NOP require of the agencies that are recognized to grant NOP accreditations to certification agents in other countries? How does NOP oversee recognition agreements to ensure that the assessment work done by recognized accreditation agents is congruent with the audits done by the USDA? Does NOP plan any changes with regard to creating and maintaining recognition agreements with foreign accreditation agencies?

McEvoy: To begin with, all recognized accrediting bodies in other countries are government agencies themselves. They must have regulatory authority to enforce the recognition agreement within their borders. That's why we do not allow the certifiers accredited by these recognized bodies to certify operations outside of their sovereign borders. In addition, the agreements are made on a country-to-country basis, essentially putting all the NOP organic export eggs in the same basket. Cancellation of a recognition agreement (which can be done for cause with only 30 days notice) would result in all organic certifications and exports under that agreement ceasing, providing a strong incentive for the recognized accrediting body to maintain close control of the NOP certifiers and operations in their countries. We've set our review policy to conduct onsite reviews of these agreements every two years. This is even tighter than the policy we have for our directly accredited certifying agents. During the reviews, we provide a day of

training to make sure the certifiers themselves have the most recent information and interpretation of the

NOP regulations. We use ISO 17011 as the basis for the review, to provide an internationally recognized framework for the assessment. Since most of these countries are also engaged in other recognition or equivalence arrangements with other countries, their systems are generally very well documented and have often already been assessed under some other system. Very often, the NOP certifiers accredited under the recognition agreements are also directly accredited by NOP for operation in other countries. This network of oversight responsibilities allows us to cross-reference other assessments and provides a basis for direct comparison of findings. This regulatory equivalent of a two-sample comparison has provided a great deal of confidence in our recognized agencies when results of two different assessment of the same certifying body are very similar. As far as any planned changes, the recent increase in NOP resources has allowed us to increase the level of resources we apply to each of these recognition agreements. We look forward to a greater level of interaction with these recognized bodies, and will be providing more support to the agreements in terms of training and feedback on the compliance of products received in the US by way of these agreements. We are on schedule to complete reviews of all recognition agreements by spring of 2010.

Equivalency Agreements

***TOS:** A recent NOP update sent to the Accredited Certifying Agents (ACAs) mentioned 'meetings with representatives of the European Union, United States Trade Representative's Office,*

and Foreign Agriculture Service to discuss possible resumption of talks with the EU regarding organic standards equivalence. Are there any particularly encouraging signs that this round of talks will result in an equivalency agreement between NOP and the EU in the near future?

McEvoy: We are very interested in developing an equivalency agreement. The success of the US-Canada organic equivalency arrangement gives us encouragement that we can reach an agreement with the EU.

***TOS:** What has changed within the regulatory environment of the organic industry since the previous talks ended without the parties reaching agreement?*

McEvoy: The EU and NOP standards have been revised and there is a deeper understanding

of the organic standards by both programs. The benefits of the US-Canada equivalency arrangement provide an incentive to develop a similar agreement that reduces duplication of effort while strengthening the integrity of the organic certification process. An equivalency agreement would allow the NOP and EU organic programs to focus on protecting organic integrity and enforcing the organic standards rather than on the few

differences between the organic standards of the NOP and EU. Certifiers, organic producers, processors and handlers would have a simpler set of rules to comply with in order to access organic markets.

***TOS:** The EU requires that certification agents comply with ISO Guide 65, but the NOP regulations do not incorporate all of the provisions of this international standard for management of certification agencies. Do you support NOP making certifiers' compliance with ISO Guide 65 a requirement of NOP accreditation?*

McEvoy: Yes, this is an initiative that we plan to address within the next few years. President Obama's 2011 budget includes a one-time increase of \$1 million for the NOP to assist accredited certifying agents in achieving ISO compliance to enhance compliance with program regulations and ensure the integrity of the organic label.

NOP-Accredited Certifiers Located Outside the US

***TOS:** Is NOP planning any changes in the way it interacts with directly accredited foreign certifiers located outside the US?*

McEvoy: Not from the standpoint of treating them any differently than we do our domestic certifiers. We will be maintaining the same level of documentation, reporting, surveillance, and accountability for the domestic and foreign ACAs.

***TOS:** Specifically, do you anticipate any changes in the type and frequency of the audits these certification agents will receive?*

McEvoy:

Yes, but only to the same extent that we will be increasing our type and frequency of audits of all of our certifiers. We will be conducting risk-based unannounced reviews of all our ACAs, including foreign ACAs.

NOP and Other Accreditation Bodies

***TOS:** The International Organic Accreditation Service (IOAS) is known within the organic industry for its work in auditing organic certification bodies against multiple standards with the goal of reducing the cost and administrative burdens of accreditation. Have you considered an arrangement by which IOAS could also offer NOP audits to certifiers?*

McEvoy:

The NOP audits are conducted by the USDA Audit, Review and Compliance(ARC) Branch. The ARC branch conducts audits of processed verified systems, and their ISO Guide 65 program is recognized by the National Institute of Standards And Technology (NIST) under ISO 17011. They are exploring the possibility of becoming an approved

conformity assessment body under the Canadian program. We are also looking at developing a model where the NOP would recognize additional auditing bodies, such as IOAS, to provide NOP audits. Final approval of accredited certifiers would be retained by the NOP.



Australia Bases Equivalence on Credible Organic Systems

Background

No country produces all the organic products that they need. In Australia around 60% of the organic products sold in retail shops are either fully imported or a composite of imported and domestic products. Australia, like most countries, needs to source organic products from around the world and this is particularly true for processed products that need to combine multiple ingredients. Many of the current national compliance regulations for the importation of organic products make it uneconomical for processors to go through the extra time and expenses to get the products recertified so that they comply with their national organic regulations. This becomes even more difficult if the processor or producer wants to export these products to multiple markets with different regulatory compliance regimes.

Only the larger producers or processors with economies of scale can afford the multiple certifications that are needed to access these markets. The smaller family farms and businesses are becoming locked out of these markets, which goes against one of the main principles of organic agriculture – The Principle of Fairness.

Fear of Imported Products

Many countries have a fear of imported products, believing that they out-compete the domestic products, cause a loss of domestic production and force local farmers and processors out of business. While this can be true in some conventional industries there is no evidence of imported organic products replacing domestically produced products.

Imports can grow the domestic market by supplying the products that consumers want, that are not being produced domestically. As the market for these products grows, a new domestic market can emerge based on import replacement.

Imported Organic Products must come from Credible Systems

The critical issue for Australia is that all imported organic products come from credible organic systems. What is meant by “credible organic systems”?

There is a need to accept that there will be variations in organic standards to reflect the differences in the production environment in different countries and regions of the world. Just as Australia developed a standard that differed from the EU regulation, US NOP, JAS, Codex, etc. because of the unique Australian requirements, the Australian organic sector needed to accept that this applies to all countries. Every country and/or region has to develop standards that reflect and meet the needs of their producers.

The Australian organic sector's main concern is not about the minor differences in standards. The concern is that the products come from a credible system. This includes both the standard and the certification regime to that standard.

Australian consumers and importers do not really care about the minute differences between the organic regulatory systems of world's major markets – Europe, USA, Canada, Switzerland and Japan etc. The products from these systems are seen as credible and equally reliable as the Australian standard and certification system..

The concept that was used is that they are Equally Reliable Systems to the Australian Standard (AS 6000) and the certification requirements (MP100).

Equally Reliable Systems - *The equivalency requirements for the Australian Standard (AS 6000)*

The equivalency requirements for the Australian Standard (AS 6000) were approved by the standards committee on July 1, 2010.

These requirements are part of the sister document to AS 6000 – ***Procedures for certification of organic and biodynamic products*** (MP100).

The critical parts of the document are the Table B1, where the accepted systems will be listed and Appendix C that defines the criteria we will use to assess suitable standards and conformity systems.

Clause B3.3 is the key clause:

'B3.3 All acceptable conformity assessment systems and respective competent authorities/accreditation bodies that have been found to satisfy Appendix C and are deemed acceptable for providing equally reliable imported organic or biodynamic product, as defined in AS 6000, are listed on and maintained by the Joint Accreditation System of Australia New Zealand (JAS-ANZ) website at www.jas-anz.org/MP100.'

The Table (B1) that lists the acceptable systems will be hosted on the JAS-ANZ website so that it can be updated without having to amend the standard.

The following countries and or regulations are currently are deemed acceptable for providing equally reliable imported organic or biodynamic products: the USA NOP, the EU, Switzerland, Japan, Canada, Taiwan and New Zealand.

To ensure that products can enter from other countries that are not on the list, the committee has allowed two pathways for certification bodies (CBs) to be accredited to the Australia market.

These are:

1. CBs that are accredited by JAS-ANZ to the requirements of MP 100;
2. CBs that are accredited by the International Organic Accreditation Service (IOAS) to the IFOAM Basic Standard and other approved IFOAM standards. (the Family of Standards).

The standards committee is currently finalizing the process of reviewing and accepting new national systems. The current proposal is for a small expert subcommittee comprised of both industry and government organizations. This will be finalized in September. This will give us the flexibility to add new systems quite quickly without having to go through the more lengthy process of amending and publishing a new standard each time we add a country or private system.

The ITF tools, the *International Requirements for Organic Certification Bodies (IROCB)*, *Guide for Assessing the Equivalence of Organic Standards and Technical Regulations (EQUITOOL)* as well as The Codex Alimentarius Guidelines CAC/GL 34, *Guidelines for the Development of Equivalence Regarding Food Import and Export Inspection and Certification Systems* are referenced as the three international best practice equivalency standards.

We did not mandate the ITF tools because there will be some cases where we will add systems to the table without doing the full processes outlined in the tools. The current systems in the table are examples of this.

Codex Organic Guidelines are used as the food reference standard when assessing other systems. It is the intention of the assessment process for these standards to be equivalent with rather than compliant to Codex.

The key issue is that standards and control systems are “*are deemed acceptable for providing equally reliable imported organic or biodynamic product, as defined in AS 6000*”

The whole purpose of the equivalency section in MP 100 is to establish the guidelines for equal reliability and not go down the path of compliance to AS 6000 or Codex. The emphasis is on the credibility of the standards setting and conformity assessment processes, rather than trying to resolve minute differences in the content of the standards.

As stated previously, Australia’s aim is not to stop imports. The aim is to ensure that all imported organic products come from credible verifiable organic systems.

Contributed by Andre Leu



Certification Alliance Provides a Collaboration Platform of Asian Organic Certification Bodies

With the proliferation of organic regulations in major importing countries, organic producers wishing to gain markets access are required to seek certification for their exports. Lack of recognition among regulating countries cause organic producers and operators to seek multiple certifications when they need to export to more than one country. The exclusive organic regulations also means that an organic certifier needs to acquire multiple accreditations or authorizations required for each country's market access. The certifier could do this by itself, if it is large enough, or else it must cooperate with foreign certifiers in the importing countries to get recognition of its inspection service. However, most of the Asian organic certifiers are small, and for them, getting each and every accreditation and recognition from importing country authorities pose heavy financial and management challenges. Most of them therefore opt for developing collaborative relationships with EU and US organic certifiers. Some are more successful than others. Those succeeding become inspector agents of foreign certifiers or turn into overseas office of foreign certifiers. And as organic certification becomes more and more competitive business, local inspectors or certifiers tend to work exclusively for their partner, serving the need and interests of their foreign partners rather than of their local organic constituency.

Started in 2007, Certification Alliance or CertAll, is an Asian regional collaboration platform of local organic certifiers. Currently, local Asian partners of CertAll are active in China, Indonesia, Korea, Laos, Malaysia, Nepal, Philippines, Sri Lanka, Vietnam and Thailand. The four collaboration areas include multiple certification, integrated inspection, market support and sector/institutional development.

Multiple Certification and Integrated Inspection: CertAll partners can provide multiple certifications for local operators through range of certification services. Each partner functions as an office agent for the certification of other partners. Operators will be jointly certified by the service agent, the local certifier using local organic standards, as well as the CertAll partner from whom additional certification for export is required. Additional certification to other private standards may be arranged on the operator's request.

An *integrated inspection for multiple certifications* is offered to local operators. This one-stop regional inspection service is not only for CertAll partners but also for non-partner certifiers working in the region. Each partner functions as an office agent for the regional inspection service. To create further system efficiencies, which also saves money for

operators, CertAll partners are harmonizing inspection and certification procedures and forms where possible.

With CertAll collaboration, small local producers in Asia can now get market access through integrated, multiple certification services with their local agency as a one-stop shop. By including one internationally recognized partner based in Europe, the multiple certifications include all major importing countries like EU, US, Japan as well as private certifications of CertAll partners in Asia.

Marketing support: Operators can enjoy a full range of promotion and marketing support services as offered by the respective CertAll partner. Partner certifiers collaborate on trade fair exhibitions, joint promotional material, publications and referral listings.

Sector and Institutional Development: CertAll organizes regional trainings and experience sharing for partners' inspectors and others. Where there is no local CB established, trained individuals can join the as new inspectors until a local certification body is organized in their respective countries.

CertAll is undertaking development of regional private organic standards, aiming for IFOAM approval. CertAll has expressed interest to work through GOMA to promote harmonization of Asian organic standards, for countries not yet having organic regulations and for facilitating equivalence of organic standards among Asian countries already having their regulations.

Further information about CertAll is available at <http://www.certificationalliance.org/ver1/>

(Contributed by Vitoon Panyakul, Chair, Certification Alliance)



Consultation Phase of the Central American Organic Standard Ready to be Launched

GOMA is supporting the completion of a regional organic standard in Central America. GOMA's support enables the Competent Authorities on Organic Agriculture (CAOA) of Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and the Dominican Republic to resume work on this standard, which was started in 2004, but stalled by 2007. GOMA has signed an agreement with the Inter-American Institute for Cooperation on Agriculture (IICA) to administer the support. The role of GOMA in this regional process is to provide the necessary resources to finish the process that the authorities started, and to encourage effective public-private participation in the regional

standards process in Central America. The standard is expected to facilitate the development of regional markets as well as export from the region.

The first draft of the standard has been completed by ACAO and consultations are planned with stakeholders in all the participating countries. The draft document ready to be consulted is a proposal elaborated by the Costa Rican ACAO with the advisory of the Argentinean ACAO, based on the Codex Alimentarius and the country standards and taking as a reference the EU and US standards for specific points. The standard also takes into consideration the regional situation. The scope of the standard includes crop and livestock production, beekeeping and wild collection. ACAO representatives participating in this process are:

- Elizabeth Ramírez (CA Costa Rica)
- René Arevalo (CA El Salvador)
- Leonel de León (CA Guatemala)
- Yolandina Lambur (CA Honduras)
- Mauricio Carcache (CA Nicaragua)
- Fermín Romero (CA Panamá)
- José Zapata (CA Dominican Republic)
- Juan Carlos Ramírez (CA Argentina – Advisor)

IICA's representative attended the meeting where the final draft to be consulted was finished.

A tentative schedule for the in-country consultation is mid-July to mid-August. Consultations will be organized and carried out by ACAO in each participating country and it includes written consultation and workshops. ACAO of each country will publish a note in a newspaper to inform how to access and give their input to the draft standard through a website. Additionally, ACAO will contact key public and private stakeholders encouraging their participation and dissemination of the information to allow a broader participation. Once the written consultation is finalized, a national workshop in each country (probably in September) will deliver the national position document to take to the final regional workshop, to assemble the results of the participant countries.

The inputs provided by stakeholders will be reconciled by ACAO in a new proposal to be discussed in a meeting of ACAO, which will be held at IICA's Headquarters in Costa Rica in October. Two Observers from the private sector will be included in this meeting.

GOMA will send an email alert to stakeholders in the relevant countries about the schedule and other information for participating in the consultations as soon as dates are confirmed from ACAO.

ACAO aims to finalize the standard and present it to stakeholders at the end of 2010. For more information contact GOMA Project Manager, Diane Bowen, d.bowen@ifoam.org or GOMA Latin American Coordinator, Patricia Flores, patriciafloresescudero@gmail.com.

Around the World



Discussions continue between United States and European Union

During the week of May 24, the National Organic Program, USDA's Foreign Agricultural Service and U.S. Trade Representative met with representatives of the European Union's Directorate General Agriculture and Rural Development in Brussels, Belgium, to discuss an organic trade agreement between the EU and the United States. The second of a series of meetings covered a wide range of issues including organic standards, certification procedures, oversight of foreign operations, and compliance and enforcement, as well as issues regarding the certification and trade of organic products from third countries. While organic standards between the two nations are very similar, some key differences persist. Discussions are under way towards establishing an equivalency arrangement and will include an assessment of each other's respective organic programs. The NOP will host an EU delegation in the fall of 2010; EU will host a USDA delegation in the spring of 2011.

Source: USDA National Organic Program Report, May 2010



APEDA Shares its Outlook on Equivalence and Harmonization

It is an established fact that Organic Guarantee System is based on three factors, namely production standards, conformity assessment procedures for accreditation and certification. These three indicators are considered to be the major factors for mutual recognition and equivalence among countries. Lack of any one of these factors in the organic guarantee system is considered to be non-compliance for equivalence among countries having organic regulations.

A live example of a success story is India, which recently completed a decade of implementation of the National Program for Organic Production (NPOP) in May 2010. With 10 years of its regulations in place, India has established NPOP's equivalence with EU and Switzerland as well as recognition of conformity assessment with the US for export of organic products. This could be achieved as the production standards are in compliance with two international standards, viz., Codex Alimentarius and IFOAM. The accreditation body (APEDA) and certification bodies fully adhere to the requirements of ISO-17011 and ISO Guide 65, respectively. These recognitions have facilitated export of

organic products from India to these major markets. The certificates issued by the Certification Bodies of India are readily accepted in these countries. In this process, the cost of certification has tremendously decreased, thereby, enhancing competitiveness. This has also helped to provide certified organic products to the consumers at a fair price.

Presently, India exports 135 organic items under 15 product categories valued at approx. US \$135 million and plans to grow up to one billion \$ by 2015. With the growing demand in markets like Japan, Korea, Taiwan and Canada, India plans to establish equivalence with these countries. The process has been initiated and expects to conclude the negotiations in the near future.

There are opportunities for harmonization of standards for production among the Asian countries due to similar agro climatic conditions, if appropriate regulations and conformity assessment procedures are in place. EQUItool and IROCB developed by ITF under the aegis of FAO, UNCTAD and IFOAM are two yardsticks for assessment and could be referred to for the organic guarantee system among countries seeking equivalence.

* Agricultural & Processed Food Products Export Development Authority, Ministry of Commerce & Industry, Government of India

(contributed by P.V.S.M. Gouri, Advisor to APEDA, India)



Canada – EU Equivalency is a Thorough Process

In May, following CODEX meetings in Quebec City, European Commission officials responsible for organic agriculture conducted a full assessment and peer review of the Canadian organic regime. Four EC officials (Herman Van Boxem, Jackis Lannek, Yvan Van Eesbeek and Fred Kingston) travelled from Quebec to Ottawa to review the Canada Organic Office of the Canadian Food Inspection Agency, the competent authority of Canada's Organic Products Regulations. As part of their trip, the EC officials also conducted an assessment of a number of Canadian accreditors ("conformity verification bodies" under the Canadian system), certifiers, and organic operators.

In mid-June, two Canada Organic Office officials, Michel Saumur and Valeriya Staykova, travelled to UK and Brussels to perform an assessment of Canadian Food Inspection Agency (CFIA)-accredited conformity verification bodies operating out of Europe, as well as a full peer review of the European competent authority. As with the Canadian audit by EC officials, the June review included visits by Canadian officials to all levels of European organic system, from producers up to the enforcement body.

The peer review and assessment follows months of analysis and negotiations toward a possible equivalency arrangement between Canada and the EU, including final “gap analysis” comparisons of organic standards and determinations of any variances between the European and Canadian organic systems of production, oversight and enforcement. It is expected that the two authorities will hold at least one more meeting to discuss the findings of their mutual assessments and determine the final timeline for a possible equivalency.

An organic equivalency arrangement between Canada and the European Union would result in significant market access for both sides: with greater ease for Europeans in sourcing critical Canadian commodity supplies and consumer products, while also establishing a stronger presence for European products in the significant and growing Canadian market. The final determination of this possible Canada-EU organic agreement may in fact become the harbinger of the Canada-EU Comprehensive Economic and Trade Agreement, a broad and unprecedented free trade negotiation that is currently underway.

Contributed by Matthew Holmes, OTA Canada



New Zealand’s Organic Exports are Known

New Zealand is a rare example of a country that tracks organic export data. Organic exports constitute about one third of New Zealand’s organic market activity. A census of **organic producers and exporters** was conducted with multiple follow-up contacts. While in 1997 the organic export market was worth 32 million NZ\$ (18 million euros) it rose to between 120 to 130 million NZ\$ (72 million euros) in 2007, and to 170 to 180 million NZ\$ (94 million euros to 100 million euros) in 2009. Fresh fruit and vegetables account for 50% of organic exports; and this is made up of 48 % apples, 48 % kiwifruit, other types of fruit, and minimal exports of fresh vegetables. Main export destinations in 2009 were Europe (37 %), North America (22 %), Australia (19 %), Japan (9 %), Korea (8 %) and China (1 %). In relation to the largest category – fresh fruit – approximately 60 % of apple exports are to the EU, and 40 % to North America. Over 50 % of organic kiwi exports are to Europe, 30 % to Japan and the balance mainly to North America. Other notable export categories are dairy (16%), processed products (12%), beverages (10%), and meat/wool (6%).

Adapted from New Zealand Organic Report 2010



Pacific Organic Standard Found Equivalent to EU

The International Organic Accreditation Service (IOAS) has assessed the Pacific Organic Standard and found it, after some corrective actions, is to be equivalent to the standards requirements of the European Union regulations EC 834(2007) and EC 889(2008).

This means that, according to the IOAS, the Pacific Organic Standard is suitable for use by conformity assessment bodies in the Pacific region as a standard for the certification of operators who may wish to export products to the European Union.

Source: *The Organic Standard*, June 2010



North American Traders Eye Emerging Organic Market in China

The US/Canada-based Organic Trade Association (OTA) presented an educational seminar in Guangzhou, China, for retailers, importers and the media on May 24 prior to BioFach Shanghai. U.S. companies were invited to attend the seminar and Foreign Agricultural Service staff arranged one-on-one meetings in the afternoon with Chinese retailers and distributors. OTA then had a booth at BioFach Shanghai May 27-29, and presented conference sessions on the U.S. organic market and National Organic Program. OTA also organized a retail and farm tour on May 26.

Source: *OTA News Flash*, 14 June, 2010



Organic Certification in Laos Facilitates Middle East Exports

Export of organic fruit and vegetables from Champassak province in Laos to the Middle East is expected to begin shortly, after news that a farm in Pakxong district is to receive official organic certification. The farm, run by Pakxong Development Enterprise Export-Import, expects to have its products certified by the Ministry of Agriculture and Forestry. The ministry's Agriculture Department technicians inspected the farm to ensure its cultivation methods comply with organic standards. "We have completed the final check

on the farm. It is possible to get the organic certificate,” Mr Thavisith Bounyasouk, the head of the Lao certification body at the Agriculture Department, said . The 500-hectare organic farm grows bananas, pineapples, cabbages, asparagus, peppers, lettuce, onions, carrots, radishes, zucchini, potatoes, ginger, chayote, tamarind, coffee and tea for export to European and Middle Eastern markets. The company also grows grass and raises cattle both for meat and to provide compost for the vegetable farm. The compost is made from animal dung, rice straw, waste vegetables and husks.

Technicians have inspected the farm on numerous occasions to ensure it does not use chemical fertilizers or insecticides. “We’ve seen that the company has produced its own natural insecticides using plants,” Mr Thavisith said.

Export to the Middle East market will begin immediately after the final administrative steps in the certification process are completed. The company recently signed an agreement with an international food group, Halal Food, to supply vegetables to the Middle Eastern market. A purchase agreement will also be signed with a buyer from Europe in October for supply to Frankfurt, Germany, for distribution to other European countries. The products are already available for sale in Laos and are currently exported to Thailand, Chinese Taiwan, Singapore, Malaysia and Vietnam.

According to Mr Thavisith, department officials have recently inspected a rice plantation in Sangthong district of Vientiane, a vegetable farm in Luang Prabang province and a mulberry tea producer in Xieng Khuang province, and all three businesses received organic certification.

Source: Adapted from *Vientiane Times*, 23 June, 2010