

Organic Inspection and Certification

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The Development of Organic Markets

Both the number of organic farms and the market turnover of organic products are presently experiencing a tremendous increase world wide. While the demand for organic products still mainly originates in industrialised countries, organic production and trade are gaining significance also in emerging economies and economies in transition. In Europe, consumer's awareness for environmental and health issues and an increasingly supportive agricultural policy are the main reasons for the booming organic industry. Consumers of organic products are usually giving high importance to environmental beneficial and animal friendly production methods. Though they are ready to pay a certain premium in addition to conventional price levels, convenient availability of the products proved to be an important sales factor.

As agro-climatic and socio-economic conditions limit the options for European production, imports of organic commodities play an important role. In Germany, for example, around 40% of the product value of all organic products sold originate from imports. There is increasing concern of consumers for the social conditions of production and trade of commodities produced in developing countries.

Standards and Regulations on Organic Agriculture

Consumer's readiness to pay a premium price for organic products fully depends on the trust in the organic origin, i.e. the production according to defined principles. Actually, the existence of production standards and regulations distinguish organic farming from other "sustainable agriculture" systems, thus enabling the development of a specific market.

Until the 1990s, organic standards were mainly elaborated by organic farmers associations, resulting in a considerable number of private labels. In 1993, the European Union restricted the use of the term 'organic' for labelling agricultural products by a regulation on organic production. The main aim of this regulation is to protect consumers against fraud and producers from unfair competition. Various national regulations within and outside Europe followed, resulting in a confusing number of standards and regulations of different strictness. While the different national standards and regulations reflect the diversity of agricultural conditions and consumers expectations, they are likely to hinder international trade of organic commodities.

Organic Inspection, Certification and Labelling in Switzerland

Only an efficient quality control based on standards and regulations allows the establishment and maintenance of a premium price market. The quality control system of organic agriculture consists of three levels: the inspection evaluates the performance of production, processing and trade, the certification confirms that the findings of the inspection are in accordance with specific standards and regulations and the accreditation finally ensures that certification and inspection are implemented according to certain principles.

Until 1998, inspection in Switzerland was done by the inspection division of FiBL while certification was done by the Association of the Swiss Organic Agriculture Organizations BIO SUISSE. When the Swiss Organic Farming Ordinance came into force, inspection and certification had to be separated from consultancy and from marketing. Therefore, FiBL and BIO SUISSE initiated the foundation of the separate company bio.inspecta which is nowadays offering inspection and certification services to Swiss organic farmers and processors.

Presently, in Switzerland the following inspection and certification bodies are accredited at Federal level:

- Bio.inspecta
- Institut für Marktökologie (IMO)
- Bio Test Agro
- Schweizerische Vereinigung für Qualitäts- und Management Systeme (SQS– Swiss Association for Quality and Management Systems).

They are all accredited to inspect and certify according to the Swiss Organic Farming Ordinance. However, the most important organic label on the Swiss market is the Swiss Bud label (Knospe) of BIO SUISSE. For imported products to be awarded the Knospe label, all of the foreign operators (producers, processors and traders) must fulfil not only the requirements set out in the Swiss Organic Farming Ordinance, but also comply with BIO SUISSE Standards. Verification of compliance is undertaken by BIO SUISSE. Corresponding applications for inspection must be made by a BIO SUISSE licensee before goods are imported.

Import Requirements for Entering the Swiss Organic Market

Organic products from the EU that are labelled as such in accordance with EU Regulation No. 2092/91 on Organic Production may be recognized as organic products in Switzerland. Imports of products from countries outside the EU into Switzerland (and also into the EU) are regulated by means of equivalency requirements: production, inspection and certification, and labelling of organic products in emerging markets and markets in transition must conform to conditions that are equivalent to those contained in the Swiss Organic Farming Ordinance.

In order to market an imported product as 'organic' in Switzerland the producers, processors and exporters in the country of origin and the importers in Switzerland must be certified by an accredited inspection body at least once per year. For this they must enter into a contract with an accredited inspection and certification body.

Analogously to the EU, Switzerland also operates a system of '**individual authorization**'. For direct imports from countries that are not included on the list of third countries, the importer in Switzerland must submit an application for individual authorization to the Federal Office for Agriculture (FOAG) together with an **attestation of equivalence** for the relevant product and its producer.