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INTERNATIONAL TASK FORCE ON HARMONIZATION AND EQUIVALENCE IN ORGANIC AGRICULTURE

Country Reports
for the
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Philippines¹

1 Introduction

This report serves as a reference guide for the Philippine participation to the 6th International Task Force Meeting on Harmonization and Equivalence in Organic Agriculture on October 11-13, 2006 in Sweden. Specifically, the ITF will review the existing organic agriculture standards, regulations and conformity assessment systems to determine their impact on international trade. It will also assess the extent in obtaining an agreement on one set of international norms for organic certification that could be the basis for an agreement on equivalence.

In addition, the ITF on Harmonization and Equivalence (ITF) report and IFOAM conference reference materials (by Otto Schmidt) and ISO Guides were noted in drawing up a recommendation. This recommendation is highlighted at the end which may stand corrected during discussions with ITF experts.

In the 5th ITF meeting, ISO 65 standards, which is on the general requirements for bodies operating product certification systems, has been proposed as a source for a reliable organic certification system.

On the other side, environment and ecological concerned groups are also interested in knowing to what extent under an ISO 14001 can be explored through a determination of the Environmental Impact Assessment of activities in organic agriculture. The comparisons of standards between the proposed ISO 65 and ISO 14001 and other proposed standards would require ISO analysts to review the consequences with ITF.

Certain ITF participants during the workshop would have limitations, too, on evaluating compliance of the practiced standards including ISO 65, and when necessary, an additional proposal to review ISO 14001 as the processes leading to certification and accreditation have not been structured and publicly known by the EU and the US and will be divulged certainly during the ITF October meeting.

Under ISO 14001, an Environmental Management System framework specifies that a third party can certify organic organizations like IFOAM and attain international recognition as well. The use of such environmental system remains to be explored during the 6th ITF meeting to enhance the industry's overall performance and continual improvement.

2 Background of Organic Agriculture in the Philippines

In the early nineties, organic associations have been brewing in the country with the growth of the Organic Producers and Traders Association of the Philippines (OPTA) in 1996, the Philippine Organic Guarantee Inc. (POGI) in 2000, and the Organic Certification Center of the Philippines (OCCP) in 2001. These organizations will have to unite to form the Philippine organic movement.

In November 1999, the organic movement was encouraged to consolidate itself through the hosting of the 4th IFOAM Scientific Conference and General Assembly in Tagaytay City,

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which Secretariat was delegated to the Department of Trade and Industry's CITEM. A major concern identified for the Philippine organic sector was its incapability to establish and implement a certification and inspection program.

In 2002, per report of OCCP, the Philippine Department of Agriculture Bureau of Agriculture and Fisheries Standards (BAFPS) adopted a Philippine National Standard (PNS).

2.1 The National Organic Agriculture Program

Under Executive 481 of 2005, implementing rules and regulations (IRR), The Philippine Department of Agriculture shall establish the National Organic Agriculture Program, the focus of which are, regulations and guidelines, certification and accreditation, market promotion and networking, organic information and R & D. Further, under this law, the Bureau of Agriculture and Fisheries Product Standards (BAFPS) shall head the Organic Accreditation Committee and shall head the Standards Committee of the Philippine National Standards.

Another major highlight of the EO 481 is the creation of the National Organic Agriculture Board or NOAB, which is composed of government agencies and private sector bodies, which shall be headed by Department of Agriculture. In this board, the secretary of the board shall come from BAFPS.

2.2 The Philippine National Standards (PNS)

The PNS follows the norms of IFOAM and is a mandatory regulation for sectors involved in the production and marketing of organic agriculture. Under Executive Order 481, (Promotion and Development of Organic Agriculture in the Philippines), which was signed into a law in December 2005, the PNS covers sub-standards consisting of six parts, conversion to organic agriculture, crop production, processing, livestock, special products and labelling. The roles cover only production and processing but do not include certification requirements.

The National Standards Specification for Organic Agriculture was initially prepared by the Organic Certification Center of the Philippines (OCCP) and was adopted by the Department of Agriculture through the Bureau of Agriculture and Fisheries Product Standards (BAFPS). The BAFPS Technical Committee on Crops and Livestock subjected these organic agriculture standards to a series of Technical Reviews and Public Consultations. After each technical review the corresponding revision was made particularly, in the conversion, crop production and livestock segment of the standard.

These standards should be treated as one standard on organic agriculture with the various parts complementing each other.

Conversion is the process of changing an agricultural system from conventional to organic. The period covered during this process is known as transition. This includes the total change of inputs of artificial fertilizer and/or pesticide to inputs that conform to this standard.

Conversion is the determining factor through which an organic agriculture farming system can be certified. The converted organic production system has agricultural products that are produced on farms and livestock operations that promote a healthy ecosystem, including an encouragement of biodiversity and soil biological life. This follows a basic principle of organic farming that growing plants in healthy balanced soils produces healthy food products. Likewise, it emphasizes the use of proactive management practices to prevent

problems. Furthermore, its mode of production uses mechanical, biological, and cultural methods as opposed to the use of synthetic chemicals.

Crop production in organic agriculture is holistic production management systems, which promotes and enhances agro ecosystem health, including biodiversity, biological cycles, and soil biological activity. It emphasizes the use of management practices in preference to the use of off-farm inputs, taking into account that regional conditions require locally adapted systems. This is accomplished by using, where possible, cultural, biological and mechanical methods, as opposed to using synthetic materials, or fulfills any specific function within the system. An organic crop production system is designed to:

- Enhance biological diversity within the whole system;
- Increase soil biological activity
- Maintain long-term fertility;
- Recycle wastes of plant and animal origin in order to return nutrient to the land, thus minimizing the use of non- renewable resources;
- Rely on renewable resources in locally organized agricultural systems;
- Promote the healthy use of soil, water and air as well as minimize all forms of pollution thereto that may result from agricultural practices;

Livestock operation shall meet the following requirements in terms of animal husbandry management, breeds and breeding, mutilations, animal nutrition, brought –in animals, veterinary medicine, transport and slaughter, draft animals, conversion, livestock manure, free range areas and livestock housing in accordance to this guideline.

This standard on livestock includes any cattle, sheep, goat, swine, poultry, or equine animals used for food or in the production of food, fiber, feed, or other agricultural-based consumer products, wild or domesticated game, or other non-plant life, except such shall not include aquatic animals for the production of food, fiber, feed, or other agricultural-based consumer products.

It promotes livestock operations that promote healthy ecosystems, including an encouragement of biodiversity and soil biological life. The lists of livestock materials that are allowed, restricted and prohibited are spelled-out for the purpose of this standard.

Processing involve cooking, baking, heating drying, mixing grinding, churning, separating, extracting, cutting, freezing or otherwise manufacturing of food or food product. It includes changing the physical characteristics of a food, and the packaging, canning or otherwise enclosing such food in a container. It does not include sorting or cleaning if such is done with water only.

This standard of processing shall meet the following requirements in terms of post harvest operations, storage and transportation, pest control in storage and processing, ingredients or agricultural origin, other ingredients and processing, methods of processing, methods of cleaning and packing in accordance to this guideline.

Standard on organic agriculture for special products includes herb, mushrooms and wild honey. Herb in this specific guideline is a plant that is not woody and with no persistent parts above ground level. Mushroom on the other hand is any of various fleshy fungi, including toadstools, puffballs and morels and lastly, wild honey is a sweet viscous fluid produced by bees from the nectar collected from flowers of wild plants.

The distinct concern of this standard is the over-harvesting of wild herbs and wild honey to avoid and to ensure the sustainability of the species concerned. Despite the vehement prohibition from using chemical pesticides, fungicides, herbicides, or fertilizers to the special products mentioned in this standard, mushrooms also must be free from contamination of heavy metals and pollutants.

This individual standard specification of labeling and consumer information of organic agriculture applies to organic products that are produced, handled and processed according

to these organic standards. These means that products applying organic farming systems may be labeled as “produced of organic agriculture” or similar terms.

However, specificity is definitely dependent on other standards stated above. Furthermore, ‘Organic’ is a labeling term that denotes products that have been produced in accordance with organic production standards and certified by a duly constituted body or authority.

2.3 Philippine Accreditation System

The Philippine Accreditation Guideline known as Administrative Order (A0) No. 13 Series of 2003 establishes the requirements for certification bodies that seek accreditation.

Another Administrative Order No. 1 series of 2004 known as the organic accreditation board, which evaluates and decides on accreditation applications places organic certification as mandatory. The DA organic accreditation board under EO 481 constitutes representatives from the DA, private sector and supposedly OCCP as accreditation body.

Above-mentioned regulations have not been fully implemented yet in the country, and will require evaluation and testing. After the ITF meeting, the DTI, the DA, and OCCP and other stakeholders can orchestrate its efforts inspired by the harmonization and standardization cues of the ITF meeting in October in Sweden.

3. Recommendations

At the 5th ITF meeting, ITF proposes an “organic “ ISO 65 for the harmonization and equivalency in organic agriculture. On the otherhand, ISO 14001 specifies requirements for an organization’s environmental management system through a decision based on environmental policies and objectives.

The ISO 14001 can ensure methods of control upon agreement of a multilateral environmental statement by IFOAM and concerned bodies. The proposed pattern after UN/ECE, which is presented in the 6th ITF Synthesis report, may contain adequate mechanisms, which may have the best practice for international standards. All efforts are worth exploring and reviewing.

Other than a common regulatory objective, the organic agriculture environmental policy, which builds on a community policy for organic agriculture by developing its market and standards through an efficient global control and inspection system based on transparent principles, is also another point to examine.

Argentina²

From the perspective of a Third World certification body with fifteen years experience holding most of the meaningful international accreditations, we have to say that national standards do not seem to be so important when it comes to the development of the organic internal market.

In Argentina both the internal and the external markets are ruled by the same strict organic regulations, in spite of which the internal organic market is practically non-existent.

The Secretary of State of Agriculture (SAGyP) has designated an Advisory Committee that was supposed to coordinate the practical aspects of the organic norms, but it is very seldom convened, if ever at all, while the Organic Industry Chambers are inefficient in putting the necessary lobbying pressure for the Committee to be convened and act.

On the other hand, some help is received from the Foreign Relations Ministry promoting the presence of the organic industry in specialized fairs and exhibitions.

The main factors that in the last few years have slowed down the previously fantastic growth of organic production in Argentina are those derived from a somewhat fundamentalist international approach to organic standards and regulations.

As an example, the previously attractive business of organic citrus exports from Argentina has been completely destroyed by the stubborn opposition to the use of mild disinfecting solutions to fight citrus canker, a microbial contamination endemic in some regions of Argentina.

Mild solutions of sodium hypochlorite is the practical, safe and efficient universal sanitizing agent in food safety that, after acting in the product's surface, it is readily destroyed by organic matter and quickly evaporates any residual quantity that may be left. As we mention the Argentine Application Authorities (SENASA), after more than five months of work, it has updated the national organic regulations adjusting them to the last European requirements, keeping in sight its probable new amendments, and also introducing the requirements of the last version of CODEX ALIMENTARIUS.

But we have to mention that the close ties of SENASA with the European Union, if on the one hand they facilitate the recognition of the Argentine certifications as equivalent to the EU regulations, on the other hand it leads them to adopt a somewhat weak position, not putting enough pressure in communicating the EU authorities any possible sensitive reaction of the Argentine organic trade to what they consider to certain extent a fundamentalist position respect of organic regulations.

Regarding the Japanese organic regulations, the accreditation of foreign certifiers are all but impossible. They require to have a Japanese speaking staff person and expensive annual on-site inspection of world recognized certifiers, while other regulations, such as those of the USDA or the European organic regulations, only perform such visits every four, five or more years

² Submitted: Jorge Casale and Laura Montenegro ARGENCERT SRL, September 2006

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Regarding the USDA's National Organic Program (NOP), after a couple of years certifying according to this programme, we have to recognize that in spite of the initial irritation that its inflexibility caused and of some shortcomings, at this point we find it is very pragmatic, efficient in their responses, and equanimous in its actions.

It is a uniform regulation that does not allow for additional requirements, and its certification is easily recognized by the use of just one seal plainly and evenly recognized and trusted. No matter who performed the certification anywhere in the world, there is plain equivalence and official acceptance. Once accredited as an USDA certifying agent, it can certify anywhere in the world following just the same regulation.

We see only two roads towards world organic harmonization: either we follow the N.O.P. road accepting just one fixed regulation for the whole world, or, applying intelligence and common sense we follow the road of equivalency of different organic practices that may differ in petty details but that nonetheless they comply with a core INTERNATIONAL BASIC STANDARD that follow the main principles of organic agriculture.

We do not see this latter road as impossible, since we are getting close to such basic standard. But we need to put extra effort in the conformity assessment process, because it is hard to accept that one has to take the responsibilities of certification decisions emerging from audit work made by other parties.

Once the organic standard setting organizations agree to a common standards and the certification decision makers accept uniform conformity assessment procedures, we will still have to deal with a similar problems caused by the trading chains left to be done.

Thailand³

1. Current situation

Thailand is amongst the leaders of the world in agricultural and food production. The country has long been recognized as major exporting country in food and agricultural products. The exported value of food and agriculture sector accounted more than US\$20 billion dollars in 2005. However Thailand's organic sector is still at a relatively early stage in its development. Most organic production systems are simple with local wisdom. Current organic products are basic unprocessed commodity such as rice, vegetables, fruits and herbs. As for most countries, organic agriculture is something that was established hundreds years ago. After green revolution, Thai farmers shift to conventional farming system more than 30 years with agro-chemical and technology for increasing productivity. Health and environmental effects of improper use of and heavy reliance on agrochemical began to manifest themselves. Thailand's organic sector is small but has grown very rapidly over the past 5 years.

In 2005, the Thai government approved a National Agenda for Self-Sufficiency Economy, which includes organic agriculture. Even though this agenda focuses more on reducing chemical usage levels than actually producing and promoting certified organic vegetables for export or otherwise, but it seems good initiatives in organic sector for government support with budget over five years.

2. Policy and regulatory framework

Thailand's cabinet has repeatedly endorsed its support for organic agriculture and allocated significant budget for many projects and initiatives, under a National Agenda on Organic Agriculture. The Five years program is aimed to support 4.25 million farmers to use organic inputs instead of agro-chemical. The program aims are to be achieved through various supports and intervention mechanisms, and also encourage Thai farmers to adapt their local organic practices to meet the requirement of organic standards in order to produce organic products for both domestic and oversea markets.

For the organic regulatory system, National Bureau of Agricultural Commodity and Food Standards (ACFS) is the organization responsible for implementing the regulatory framework. Meanwhile ACFS acts as Accreditation Body of agricultural commodity and food by Office of Commodity and System Standards Accreditation (CSSA). Moreover ACFS also develops the standards for primary and processed agricultural commodities and food products, including organic agriculture in order to national standards.

National Standards for organic Agriculture have been set up with two major international references of Codex Alimentarius : Organically Produced Foods and Basic Organic Standards of the IFOAM . In 2003 National Standards for Organic Agriculture Part I : Production, Processing, Labeling and Product sale was finalized and approved by cabinet and Part II : Organic Livestock was added in 2005. The organic standard is mainly covering the same areas and for many areas have the same content of Codex Alimentarius and IFOAM standards. However there are some areas differ from other standards such as conversion time, allowance of conventional ingredients in organic products.

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3. Accreditation and Certification Systems

ACFS, under Ministry of Agriculture and cooperatives (MOAC) is National Accreditation Body in area of agricultural commodity and food by Office of Commodity and System Standards Accreditation (CSSA). CSSA has carried out assessing certifying body since 2003. At present, there are 8 accredited certification bodies (CBs) of GMP/HACCP accreditation 7 CBs and organic accreditation 1 CB.

Assessment system for organic accreditation complies ISO guide 65 and against the national organic standards or other international recognized organic standards. The system is to ensure that organic produces and products fulfill both domestic and oversea food safety requirements. Each approved certifying organization will be audited annually by CSSA's authorized assessor. To achieve internationally recognition, CSSA operating system based on ISO 17011 and ACFS will be apply member of Pacific Accreditation Cooperation (PAC) in early year 2006.

There are several certification bodies offer organic certification services for producers in Thailand. It divided into 2 groups: government CBs and private CBs. Government CBs are Department of Agriculture (DOA) for organic crop, Department of Livestock Development (DLD) for organic livestock and Department of Fisheries for organic fisheries, all are under MOAC and use national organic standards for inspection. DOA has already certified organic farmers and producer since 2002. DOA issued 27 organic farmers and producers 'certificates: 14 individual farmers, 4 producers and 9 groups of 525 farmer and total area 1,280 ha. As DLD and DOF have not yet certified any farmers or producers. For private CBs body, there are two Thai private CBs ; Organic Agriculture Certification Thailand (ACT) and Northern Organic Standard Organization (NOSO). Both have own organic standards. Apart from the government CBs and Thai private CBs are Foreign CBs such as Bioswiss and Bioagricert.

According to Green Net statistic 2004, organic land in Thailand was certified ACT, DOA, NOSO and foreign CBs about 37%, 13%, 0.3% and 50% respectively. However accreditation and certification is voluntary system in Thailand

4. Production and markets

Organic production in Thailand is very small when compare with conventional production. Because of global trend, consumer consciousness, crisis in the farm sector and environment concern, organic farming system is growing very steadily the land under organic farming increase from 2,100 ha in 2001 to 21,000 ha or about 1000 % of growth rate which was 0.12 % of total agricultural land in 2005.

There are distinct differences in the amount of organic production between provinces. One reason for this is that farmers use different water supplies. In the northeastern and northern Thailand crops are rain fed: because of this rice farmers have only one harvest each year. In central Thailand farmers irrigate their land and are able to turn over three crops each year. This makes farmers from central region much more likely to invest in chemical based agriculture because they have a more stable source of water. Once a farmer has used chemicals consistently it weakens the soil and required sustained chemical use, which makes these lands much harder to convert to organic. Additionally, when crop are rain fed the possibility of direct water resource contamination is lower. Based on these difference northeastern and northern Thailand have been and are much more suited to be converted to organic (rice) production than central region.

The largest production category is organic rice, primarily jasmine rice or Hom-mali from northeast region followed by fresh vegetable and herbs. Organic vegetables are mainly leafy vegetables, especially the salad type and Chinese vegetables, produced mainly in central

region .Dedicated organic orchards are also becoming more important, through many organic vegetable farms also produce organic fruits. The major fruits now grown organically are mango, papaya and mangosteen.

The total volume of organic products delivered to market was approximately 29,415 tons with valued at US\$ 23 million dollars in 2005. Organic exports have a bright future due to excess of demand over supply in international markets. Thai produce such as rice and tropical fruits and vegetables are in particularly high demand. Major importers of organic products are EU; especially Germany, UK and France; Japan and Singapore. Among popular products are fresh and dried tropical fruits and vegetables, as well as processed agricultural products.

Even though most organic products are exported to oversea market but domestic market for organic food and products is expanding very rapidly. Moreover domestic markets also contribute and absorb export surpluses which can not meet highly requirement of importing country. Currently, there are many certified brands of organic farm produce appeared in local supermarket and modern trade outlet, particularly in Bangkok.

Average prices for organically grown fresh vegetables sold in local supermarkets are higher than conventional produces 20-60 % but its trend continues to gradually decreasing.

Meanwhile, consumers are generally ready to pay a maximum premium of 10-15% for organic produce on condition of food quality and safety.

5. Labeling and Mark

There is no national single label for organic products in Thailand. Organic CBs have own seal or mark for labeling certified organic product. However farmer or producer who operates organic system can use own seal or label if they have it.

In 2003, MOAC has also launched Q mark in order to ensure quality and safety for both domestic and oversea consumers on production process and products of agricultural commodity and food to meet the requirement of standards. The regulation associated with Q Mark are based on the rules set out by ACFS .To foster the use of single Q Mark, there are 8 departments under MOAC has come together and signed MOU for using Q Mark.

Q Mark is also as certification mark for organic produces and products. Certified CBs by CSSA have authority to inspect and certify farmer and operator complies organic requirement and issue organic certificate. Those who has certified already could label Q Mark on produces/products.

There are two colors for Q Mark: green and gold color. Green color is for general quality goods but gold color is for premium goods. Accordingly organic product is premium product; it can use gold color of Q Mark for labeling.

Underneath Q mark, there are 20 digits code by fives group number of representing certification body, type of certification, standard certified, company/exporter/farm and name/item/type of commodity respectively. Code labeling system is for control, monitoring and trace back agricultural commodity and food from farm to table.

Gr. number 1 CB code

Gr. number 2 Type of certification

Gr. Number 3 Standards certified

Gr. number 4 Company/exporter/farm

Gr. number 5 Name/item/type of commodity AC xx-xx-xxxxx-xxxxxxxx-xxx AC xx-xx-xxxxx-xxxxxxxx-xxx

6. Conclusion

Thailand's organic sector is driven by mainly private companies, government projects, grower cooperatives, grassroots support group and NGOs. During recent years, many new organic projects have been initiated by government and private sector to help farmers convert to organic production. National agenda for organic agriculture takes part support and expansion in organic sector. However almost of organic farmers are small scale holders. They do not fully understand the holistic principle or standards applicable to organic agriculture. They need direct and practical support, particularly during transition period as well as to improve post harvest quality management. Therefore training and extension support mechanism for production has been met requirement of organic standards. It must be effective and enhanced farmer understanding.

Even though organic sector have a strong potential due to fast growth in international market but the stringency of current requirement presents barrier for small holder to access the oversea market. Nevertheless the expanding of local market such as supermarket and health shop is encouraging organic supply in country. Trend of domestic organic consumers is increasing steadily because consumers change behavior with health conscious.

Inspection and certification on organic agriculture is very crucial for ensuring produces and products. As Q Mark is the common logo for all agricultural products including organic produces and products. It is also a tool to communicate with consumers both local and international that product is safe, wholesome and quality guaranteed by Thai government. The code labeling can be traced back up to farm or producer if something wrong happened with products.

To achieve "kitchen of the world" agricultural and food production in Thailand has to meet both the national and international standards and recognized by consumers in domestic and importing countries. ACFS takes part encouraging and facilitating food safety and quality and also organic food chain. It will be bright future for organic sector in Thailand.

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Dominican Republic⁴

1. Introduction

Dominican Republic began to sell organic products in 1989 around 4 millions dollars were exported at that time (cocoa and coffee) to the American market. After that the organic sector has expanded its offer of organic products and actually many products are exported to the European market as bananas, cocoa, coffee, mangoes, lemons, coconuts, ginger and others. These exports signify an income to the country of 150 millions dollar per year. This means that organic sector in Dominican Republic is an important part of the economy.

2. Dominican Republic National Norm

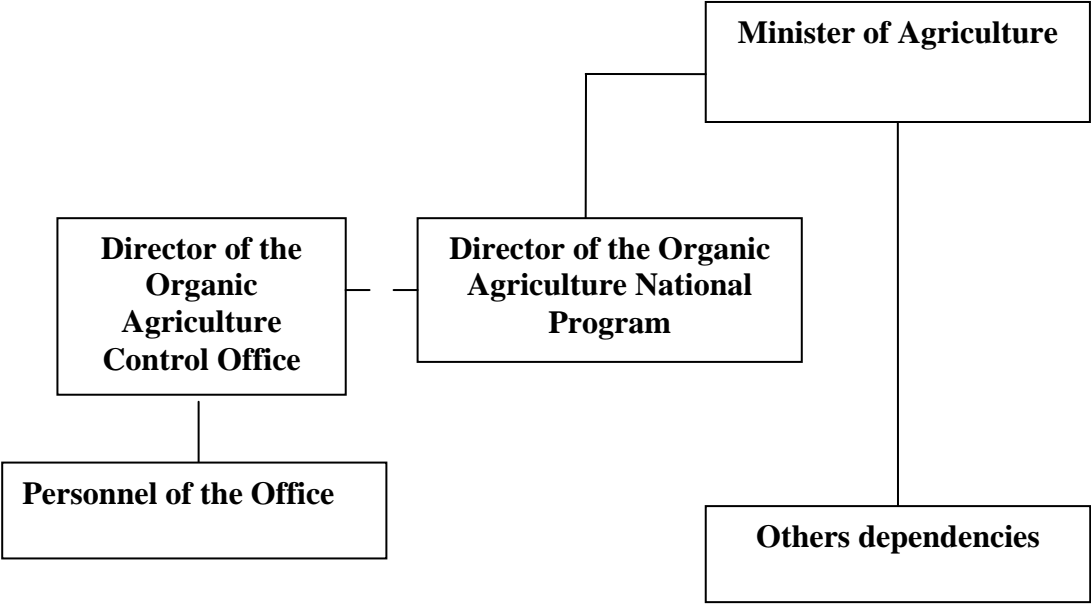
In 2003 the country began the process to be included by the EU in the third country list therefore the Ministry of Agriculture selected a group of technicians to elaborate a national norm. As a product of the group work a reglament for organic agriculture was done and published as a presidential decree No. 820/03. This reglament and the official solicitude were send to the agricultural commission of the European Union in Brussels after that in response the EU asked the Dominican Ministry of Agriculture to meet a wide series of requirements including the establishment of the Organic Agriculture Control Office as an official instance to authorize and control the certifications bodies and the organic operators based in the country.

3. Organic Agriculture Control Office

The Organic Agriculture Control Office was created by ministerial resolution No. 08/05 as the competent authority a dependency of the office of the minister but inside the structure of national program of organic agriculture with administrative and operative independency. Actually this office is implementing the national registration of certification bodies and organic operators along the nation. This office has a director, a secretary and two technicians to evaluate producers, processors and traders to see if they are working according to the national norm, ISO 65 and the CEE 2092/91. In 2004/05 the manual of procedures and documents of was made with the assistance of the Office of Cooperation of Germany and the Interamerican Institute for Agricultural Cooperation (GTZ/IICA).

⁴ By Jose Zapata, Oficina de Control de la Agricultura Orgánica, Dominican Republic

4. Structure of the Office



5. - Control System Work

The National Control System of organic operators and certification bodies is registering and making a file of each operator and certification body based in Dominican Republic they have to demonstrate that they are operating according with the reglament No. 820/03, ISO 65 and CEE 2092/91 and others internal laws they also have to provide additional information of their clients in the case of CBs and of their units of production in the case of farmers, processors and similar information are required from traders. Using this information the Control Office conducts the evaluation of the CBs and producers, processors and traders in situ and finally a report with the results of the evaluation is added to the file of the operator or the CB.

The National Organic Agriculture Control System does not certify organic operators nor accredit CBs the only responsibility of the office is the vigilance, evaluation and fiscalization of operators and CBs to make sure that they are operating according with the norms by which they are accredited or certified depending the case. The Control Office registers and authorizes those operators and CBs that are operating as the norms required.

Brazil⁵

On 23rd of December of 2003 was published in Brazil the law number 10.831 that talk about organic agriculture. Since then, the organic movements, public and private sectors are involved on the discussions about the law's regulation. By now, technical regulations are almost ready to go for public consultation, which seems to happen before the end of the year 2005. This paper gives an overview on the institutionalization of organic agriculture in Brazil, with a focus on the regulation process, conventions established and challenges faced. Another paper in a near future will analyze more deeply the main differences and similarities with the Brazilian proposal for regulating organic agriculture and regulations used in the main organic markets, the perspectives to have harmonization with international standards. Another paper with the contributions that will be given during the public consultation and accepted is going to be written on 2006.

The possible consensus in Law 10.831

A central issue faced by economic agents is to establish and enforce OA principles and norms to obtain a quality product and a desired quantity. In an environment where agents have limited rationality and are inclined to opportunism, for transactions to have outcomes which most approximate to the hoped-for scenario (organic qualities) incentives are necessary for the adoption of standards (price premium), for the establishment of controls (auditing, verification) and eventually for the provision of public goods and services (technical advices, mutual recognition agreements). For the Transaction Cost Theory, quality standards, certification and accreditation systems are technical mechanisms (exogenous variable) to lower the costs of negotiating uncertainty in the market of organic products. Other ways to guarantee the quality of the goods to consumers include the development of reputation by trustworthy behaviour over time, the fixing of commercial brands through publicity, and an efficient judicial system to solve disputes between contractors.

However, standards are not merely technical mechanisms, but also imply the definition and selection of what is good, involving in its turn exclusion processes. In this sense, standards embed values and interests, and quality is no longer an exogenous variable. The Economy of Conventions focuses on this coordination aspect of how to explain the qualifying process (quality definitions) of OA products. The issues of coordination between agents are based on quality conventions with the perspective of an endogenous construction of these quality concepts obtained by effective use of participation by the agents and the creation of collective institutions that establish the rules and provide the means to respect of these rules. Co-ordination mechanisms, such as technical controls for negotiating the quality concept are insufficient to express all the qualities of an organic product. The issue of coordination differently from economic theory of standards, isn't based on the simple choice of a solution within a set of pre-defined possibilities, but implies constructing along with others the solutions judged to be satisfactory. In this sense, one can recognise of local linkage arrangements between actors, where communication is based on the proximity of actors, which of itself allows, for the expression of disagreements, negotiations, and the resolution of conflicts. At this point, the Economy of Conventions converges with the social networks approach theorized by Granovetter.

⁵ By Maria Fernanda de A.C. Fonseca Researcher from PESAGRO-RIO, a state agriculture research institute, member of the Organic Agriculture Chamber (CSAO) representing CONSEPA – meaning National Council of State Research Intitutions, member of GAO – Organic Agriculture Groups.

In the case of OA, empirical observation shows how what the French call “dispositives” emerge (standards and specific institutions for each type of quality product), initially on a voluntary basis and afterward subject to formal regulation (FONSECA, 2005). These dispositives restrict the direct inter-relation between the economic actors, defining types of qualities, and, institutionalizing a “certification” and specific controls. As stated by Sylvander (1997), the Economy of Conventions approach allows to perceive in the networks of the organic products, the change of values related to social conventions (rooted in personal trust relations, in ecological diversity, in local arrangements and in social justice) in the direction of values linked to industrial mercantile logic (rooted in efficiency, standardization and competition by price, certification and auditing).

Since 1996, in Brazil, a law project on organic agriculture was discussed in the Congress. In 2002, this law project was very much altered and the organic movements brought together into GAO – Organic Agriculture Groups to negotiate a text which will be further submitted to senators and deputies. GAO was created in August 2002, as an informal entity, of people and organizations (public and private), with the aim to discuss about organic agriculture (OA) standards and technical regulations.

The organic movements present in GAO which negotiated the possible consensus that resulted in Law n. 10.831, represent two “worlds”: industrial tendency and network tendency. We can see the industrial tendency when in the 3rd article which considers that “for commercialization, the organic product must be certified by an organism officially recognized, according to criteria established in regulations (BRASIL, 2003)”. But, the network tendency is also in this article of the law, as on its’ paragraph one says that “In the case of direct commercialization to consumers, done by family farmers, inserted in proper processes of organization and social control, previously registered in a supervisor institution, certification is optional, if is secure to consumers and to the supervisor institution the product traceability and free access to production and processing places”. The spirit of the law, gathering the two tendencies is expressed on the 2sd paragraph of the article 3rd which states that “the certification of the organic agriculture production, focusing systems, criteria and circumstances of its application, should be a subject for the regulation of this law, considering the different certification systems existing in the country”. This consensus was also stated in the organic standards – Normative Instruction - IN number 007/99 from Brazilian Agriculture Minister (BRASIL, 1999), altered in some articles by the edition of the Normative Instruction number 16/04 (BRAZIL, 2004), which are regulating the organic Brazilian markets for agricultural inputs and drinks, while a regulation is not approved.

What are the rules now till the end of the regulation process?

Since 1999, Brazil has a Normative Instruction IN n.007/99 (BRASIL, 1999), which establish some norms for the production, manufacturing, labelling and selling organic products and the criteria to the organic conformity guarantee. When the criteria for the conformity assessment was going to be implemented based on international standards forgetting the consensus negotiated during the process of writing IN 007/99, which considers every form of conformity guarantee which happen in Brazil, as participatory certification in network.

Following this consensus, by June 2004, the IN 16/04 (BRAZIL, 2004), by other things, establishes that the Supplier Conformity Declaration was going to be the only way to guarantee the organic conformity, till the regulation is approved. Some criteria are taken in account as being certified, inspected, visited, member of an organic group or association, member of an organic development project. By now we don’t have any control of any import of organic products. The standards are very similar to international standards (Codex

Alimentarius and IFOAM Basic Standards) with some adapt as to the conversion period, which is smaller than in the international standards.

Since the eighties we have national and international certification bodies working within Brazilian territory. In 2003 (FONSECA, 2003), 30 farmers associations and certification bodies (10 international and 20 national) were responsible by the organic conformity guarantee to the IN 007/99 followed by the production unit. In 2005, this quantity must be altered as some small national certification bodies stopped functioning, as Sapucaí Certificadora and FUNDAGRO, but also we saw the entrance to the organic scope of some traditional Brazilian certification bodies as TECPAR.

The regulation process

For the regulation process, the Agriculture Minister (MAPA) was put in charge of writing a draft of the organic agriculture technical regulations, to be discussed with the GAOs' working groups and the Certification Forum, to establish a consensus on the production standards but also on the criteria of the organic guarantee systems. The working groups were: plant production, animal production, processing, social justice, wild harvesting, certification, participatory certification, commercialization, government structures. In March 2004, the organic agriculture sector chamber (CSAO) in MAPA was established, and one of the first tasks was to approve regulation texts for submitting further to public consultation during 60 to 90 days. The Regulation draft was disposable by MAPA to the working groups in June 2004, missing the text about wild harvesting. In GAO, the methodology used was to discuss by internet the official drafts between the different WG, to look forward international standards (Codex Alimentarius and IFOAM) and international agreements (TBT and SPS), regional and national organic regulations from the main organic markets (European Union, Japan, US) and to propose alterations that were discussed in thematic meetings. The performance of the Family Farmer Secretary from the Development Agrarian Minister (MDA) was very important to guarantee the participation of the small organizations and family farmers on the regulation discussions as happened during the law process. In September 2004, the CSAO constituted a Systematic Commission to systematize the texts and the results of discussions, negotiations and issues without consensus. During 2004, GAO and the Certification Body Forum promoted the dialogue between MAPA and INMETRO – National Institute for standard, metrology and industrial quality, the official Brazilian accreditation organism. They invited INMETRO to take part of the Organic Agriculture Chamber (CSAO) but also to take part in the February 2005 meeting of the International Task Force FAO/UNCTAD/IFOAM on harmonizing organic agriculture standards, which was held after BIOFACH 2005, in Nuremberg.

In March 2005, government and private working groups have thematic meetings to discuss and establish a consensus where it is possible. When the consensus cannot be achieved, the two points of view about a theme will be discussed and voted on a further CSAO meeting. The Systematic Commission worked for four months and a regulation draft was disposable in the end of July 2005 for the CSAO members, which had a meeting on the end of August. The main points of disagreement are in box n.01.

Box n. 01 – Points in the draft regulation to be discussed and decided by the CSAO members.

- Maintenance of equivalence of Brazilian inputs list
- Parallel production and conversion period
- Time to make suitable to the new regulations
- Commercial transaction declaration
- Accreditation of the conformity assessment organisms and authorization to work in Brazil
- Legal nature of the conformity assessment organisms
- Criteria for direct sells
- Labelling organic food and inputs
- Obligations of the conformity assessment organisms
- Way of charging for the services of the conformity assessment organisms
- Conformity Assessment Mechanisms (definition of the role and functioning of government organizations and civil society to guarantee the organic conformity)
- National and state Organic Production Commissions role, tasks, structure and functioning

Decisions, Challenges and Perspectives

Based in article 2 of the TBT Agreement related to Preparation, Adoption and Application of Technical Regulations by Central Government Bodies, item 2.4 and, in article 12 of the TBT Agreement related to Special and Differential Treatment of Developing Country members, item 12.4, the CSAO members opted to adopt the Codex Alimentarius list. But they decided also to realize during the public consultation period a mapping of the strangle points with solutions, as research demand and the necessity to adapt Brazilian legislation for the register of organic inputs, for instance.

The concern was that we must have an organic regulation adapted to our geographic, climate, social, political and economic environment. We don't want to construct internal barriers by adopting international standards established mostly by high income countries representatives (ITC, 2003). As the negotiations at international level happens now as bilateral agreements, if a Brazilian organic producer wants to export he might follow the import country regulations. We want to have technical regulations for organic production very flexible but also for the acceptance of other forms of conformity assessment procedures and conformity guarantees, as recommended by 3rd Triennial TBT Revision (OMC, TBT, 2003). This was just the maintenance and improvement of the consensus established between the representatives of the Brazilian organic movements since the nineties.

About parallel production definitions in the glossary on primary production and manufacturing/processing unities should be done, considering that the manufacturing unities can have parallel production by indefinitely period. The new text has to contemplate the collective use of installations. The best practices should be an obligation to the organic production unit with organic and conventional production. They saw the necessity to define the geographic area of the organic production unit which is in conversion period, and that the time for having parallel production was not going to be defined in regulation. But the conformity assessment body must demand a conversion plan to the organic production unit, in the sense to maintain the spirit of the law for the necessity of a complete conversion of the production unit.

The CSAO decided that the use of the official organic logo was prohibited till one year after the publication of regulations. Between the 13 and 24 month, the use is allowed for the conformity assessment organisms accredited, and, after 24 month mandatory.

The organic conformity assessment organisms are concerned about the implications of inspecting social and environmental standards, meaning additional cost and legal responsibility in the presence of consumers. The use of Brazilian Consumer Code is stimulated (BRAZIL, 1990) to improve the organic guarantee control.

Finally, MAPA and INMETRO in partnership with civil society are going to be responsible for the organic guarantee system. INMETRO is in charge of the accreditation of conformity

assessment organisms initially based on ISO65 standards according to Brazilian organic regulations, a process led by MAPA. When certification isn't mandatory (for family farmers inserted into a social control process), farmers, researchers, technical advisors and consumers are in charge to give conformity guarantee by registering the organizational structure and the organic unit production, formal or informal, at MAPA or supervisor organism authorized at local level (District).

In the end of the meeting, CSAO members had created a Thematic Group to work with other mechanisms of conformity assessment, as supplier conformity declaration and participatory certification in network. The first task of this thematic group is to systematize other conformity guarantee, named Participatory Guarantee Systems (LERNOUD and FONSECA, 2004), to be regulated soon and submitted further to public consultation. As a second task, but parallel with the first one, is to contact country representatives and organic networks (GAO, GALCI – IFOAM Latin America and Caribbean Group, MAELA – Agroecological Movement for Latin America and Caribbean; CYTED – research institutions from IberoAmerica discussing organic standards)⁶ to contribute for the regional harmonization of organic standards and regulations within Latin America and Caribbean, and/or IberoAmerica.

The draft for sustainable wild harvesting normative instructions is going to be discussed within different sectors, including forest people, indigenous and river communities with the Minister of Environment and Minister of Agriculture. Probably, as Participatory Guarantee Systems, the sustainable wild harvesting draft is not going to be ready in time to be submitted to this first public consultation in the end of 2005. Another meeting by the end of October was schedule to approve the final texts for public consultation with the suggestions adopted in the last CSAO meeting.

The challenges of the Brazilian organic movements and government institutions are to establish a regulation considering: (i) acceptance of different mechanisms of conformity assessment and support to its systematization; (ii) effective transversally between organisms and ministers (mainly within Ministers of Agriculture, Agrarian Development, Environment, Development, Industry and Trade, Foreign Relations, Health, Science, Technology and Innovation); (iii) to establish scientific, social, cultural, economic and politic criteria for organic production standards adapted to tropical and low income countries to base Brazilian regulations differently from the international standards (Codex) but aiming the same objectives, for further ask for a future changing of international standards and the acceptance of the Brazilian organic regulations by the international institutions and governments; (iv) to increase investments in research, technical advice, teaching technicians and producers and inspection on commercialization channels; (v) partnership between state and district governments together with private initiative, creating programs of organic agriculture for small producers and rural workers, with effective social accountability for the food to offer to a bigger slice of Brazilian citizens.

In the international sphere, Brazilian authorities and the organic movements must lead a process in partnership with other countries, regional and international organic and fair trade movements, for the acceptance of the Participatory Guarantee Systems as mechanisms which guarantee the organic integrity and principles.

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