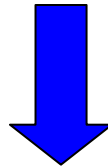


# **Organic Agriculture Certification & Internal Control System for Smallholder Group Certification**



# Why Organic Farming

- Health Concern
- Damage to ecosystem by declining vitality of soils, plants, animals and humans
- **Social issues**



**Alternative approaches to harmonise and attain balance with ecological processes**

**Market opportunities**

# ***Historical Review***

- **Chemicals as a result of world wars (Amm. Nitrate, DDT)**
- **Work of Rudolf Steiner (1925), Albert Howard (1947)**
- **Natural Farming – Masanoba Fukuoka**
- **Evolution of Private Standards like Demeter, Naturland (Germany), Bio Suisse (Swiss), Soil Association (UK)**
- **Role of IFOAM (1970's)**

# Private Organic Labels



- Labels and certification marks allow an easy recognition of organic products.
- They are protected and only to be used by authorized producers and processors.
- They can help to achieve a better price for organic products.

# Legal Regulations

- Implementation of Regulation (EEC) N° 2092/91 (1991)
- NPOP (India-2001),
- NOP (US-2002),
- JAS (Japan-2002)
  
- **Evolution of inspection & certification system**



# World wide prevailing Organic Standards

- Compulsory Legal Regulations

**NPOP** (National Program for Organic Production-India)

**Regulation (EEC) 2092/91 (Europe)**

**USDA - NOP (USA)**

**JAS (Japan)**

## Voluntary private standards

**Naturland, Bio Suisse, Demeter,**

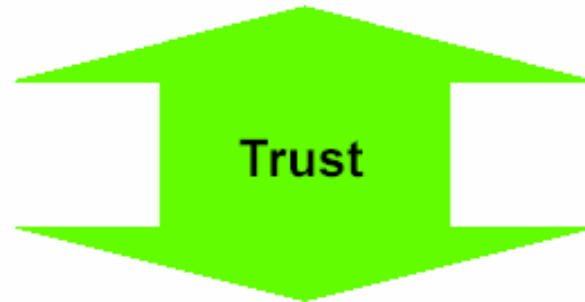
**Soil Association, IFOAM**



# Why is organic certification needed?

The consumer requests healthy and environmentally sound products

→ and is willing to pay a higher price for them.



The farmer produces according to defined organic standards

→ and can sell his products at a higher price.

# Principles of Certification

**Agreed Production & processing Standard (what needs to be done)**



**Agreed Verification Procedures (how is it checked)**



**Neutral body that verifies the compliance (who guarantees)**



# What can be certified ?

- All cultivable crops
- Wild collection
- Animal husbandry including birds
- Aquaculture
- Honey, Mushroom
- Fiber, Timber
- Approval of off farm inputs



# Operations that can be certified

- Individual Farms
- Groups (small holder organisation, contract)
- Processors
- Packers
- Retailers
- Traders/exporters
- Importers



The entire supply chain must undergo certification

# Key issues in standards



- Define production unit
- Conversion period: 24 & 36 months- Annual & Perennials
- Parallel Production: Same crop in org. & conv. not allowed
- Acceptable inputs (seed, manure, plant protection)
- No GMO, No hormones, No radiation, No Fumigation
- Identification & Separation of organic products
- Traceability & Product flow – only from certified source
- Documentation of all activities
- Package (non contaminating), Transport (closed), Storage (separate), Labelling (organic, certifier)
- Inspection & Certification of entire production chain at least once a year
- Unlimited access & exchange of information

# Steps in an inspection and certification system

- **Preparation – organic agriculture**
- **Application to Certifier**
- **Cost estimation, signing contract**
- **Project description -details**
- **On site inspection, interviews**
- **Documentation checks**
- **Evaluation**
- **Certification**
- **Corrective actions**
- **Annual update certification**
- **Transactions of organic goods**

# **Additional arrangements**

- **Good extension support**
- **Right marketing approach**
- **In house quality assurance**

# Know about latest changes in the Regulations

## Where can you download the standards?

- NPOP: [www.apeda.com/organic/quality.html](http://www.apeda.com/organic/quality.html)
- Regulation (EEC) 2092/91:  
[www.europa.eu.int/eur\\_lex](http://www.europa.eu.int/eur_lex)
- USDA NOP: [www.ams.usda.gov/nop/regtext.htm](http://www.ams.usda.gov/nop/regtext.htm)
- JAS [www.maff.go.jp/](http://www.maff.go.jp/)
- Bio Suisse: [www.bio-suisse.ch](http://www.bio-suisse.ch)
- Naturland: [www.naturland.de](http://www.naturland.de)
- Demeter: [www.demeter.net](http://www.demeter.net)

## Steps towards certification

### Choice of certifier

- market requirements → certification standard(s)
- must have the required accreditations for these standards
- ISO 65 and /or IFOAM approval or accreditation & APEDA
- competent, good service
- good reputation, well accepted by buyers
- price comparison



# How much it will cost.....?

- Cost depends on the number of days spent on the project – inspection, travel, evaluation and certification time and actual cost of travel, accommodation, office expenses etc
- Tariff based on the type of operation, kind of certifications
- For Group certification cost depends on the strength of the ICS
- Annual renewal necessary
- In a well managed project, generally  $< 1\%$  of total turnover or approx Rs. 300/ac. This is only applicable for  $>150$  ac area (taken from IMO)

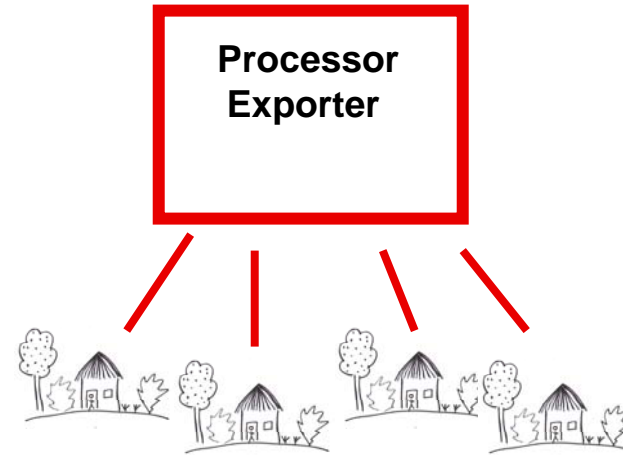
## **Conditions for Smallholder Group Certification**

- **Cost of individual certification disproportionately high in relation to sales value**
- **Homogeneity of members (location, production system, size of holding).**
- **In principles only small farmers (by local standards), larger farms can belong to group but must always be inspected externally each year.**
- **Usually common Marketing System**

# Basic Types of Smallholder Projects



A) Farmers Cooperative or Association



B) Contract Production

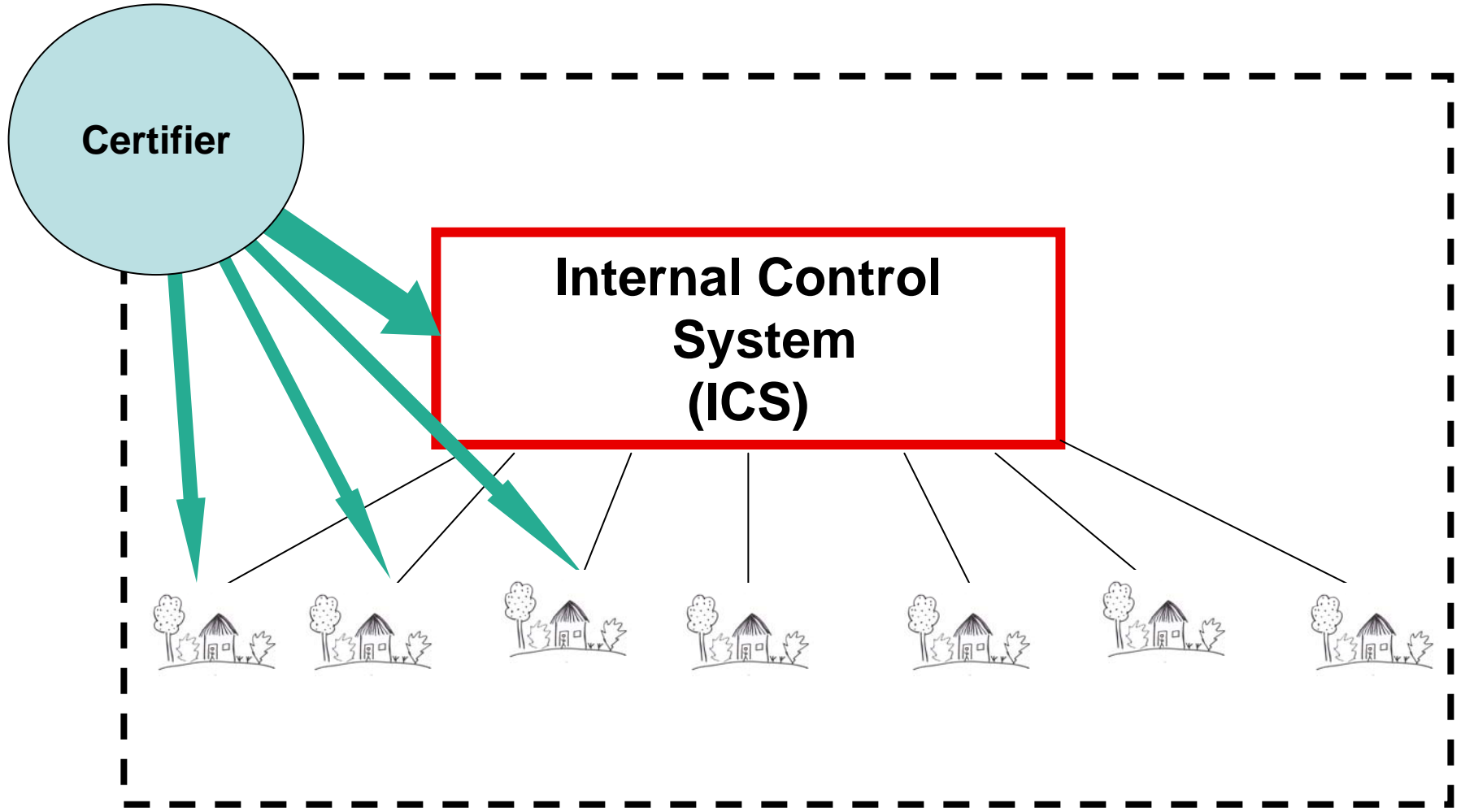
# Internal quality assurance in small holder groups

- A central body ensures the compliance of all smallholder farmers with organic standard
- Group has a formal Internal Control System (ICS)
- One certification for the group (not for single farmer)

## Definition ICS

**An Internal Control System (ICS) is a documented quality assurance system that allows the external certification body to delegate the annual inspection of individual group members to an identified body/unit within the certified operator.**

# Inspection of a Smallholder Group



# Requirements of functional ICS

## Internal Control System (ICS)

ICS manual and internal regulation :

Internal organic standard:

Internal control and approval and sanction  
procedures:

Organisation and personnel:

Training :



**Farmers in the organic project**

## Internal Organic Standard

- **There are many organic standards and most of them are written for farming conditions in western countries. An ICS operator must therefore have an internal organic standard that is applicable to the local situation and can be understood by all staff.**
- **The internal organic standard can always exceed the relevant organic regulation (for which certification shall be granted) but cannot be lower.**

## Minimum Requirements Internal Organic Standard

1. The internal organic standard must summarise the farm production requirements of the relevant external organic regulations as far as these requirements are important and relevant for the organic activities.
2. It must be presented in an adequate form, according to the knowledge of the ICS staff
3. The minimum requirements of the standard must be communicated clearly to all farmers.

The internal organic standard addresses the following topics:

- Definition of the production unit plus how to deal with part conversion (i.e. farmers still grow some conventional crops as well)
- requirements for new farmers & conversion period
- Farm production rules for the whole organic production unit (e.g. seeds, fertilisation & sustainable soil management, plant-protection, list of authorised products, prevention of drift, livestock husbandry)
- Harvest and post-harvest procedures

## Principles of Organic Production to be included in internal organic standard



### Sustainable Soil Management

- green manure
- covercrops, mulching
- compost (plant residues, livestock manure)
- restricted use mineral fertilisers
- no chemical fertiliser (e.g. no urea)



### Plant Protection and Organic Seeds

- control of pests, diseases, weeds by appropriate cultivation measures, mechanical measures, protection natural enemies
- restricted use of organic pesticides
- no chemical pesticides
- conventional seeds & planting stock only under certain conditions
- no GMO



### Animal husbandry

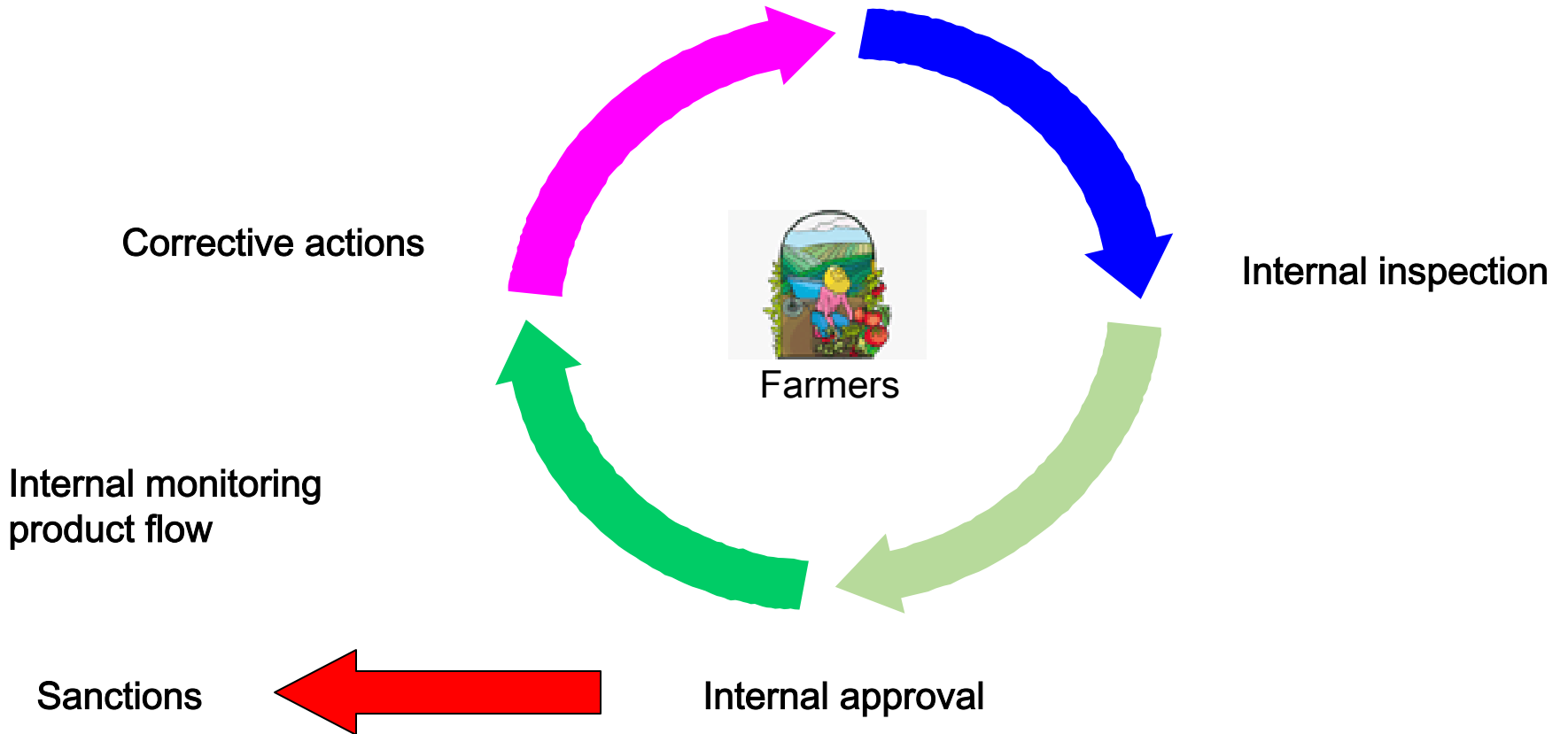
- animal friendly keeping
- organic fodder where possible, restricted medication

## Example internal regulation

- The whole farm is certified and the following rules apply to all crops and fields
- The farmer has to convert his whole farm land (all crops) to organic, i.e. it is not permitted to use artificial fertiliser or pesticide/herbicide on any part of the farm.
- If there is still a conventional field (e.g. rice) owned by the farmer, this field has to be a clearly separate area (marked on the map) and may not rotate to organic areas. Also great care has to be taken to prevent drift of chemicals from conventional areas.
- The farmer is not allowed to use any off-farm inputs (fertilisers, insecticides, fungicides, herbicides, etc) except those for which he has been explicitly been granted permission by the internal inspector. Naturally grown (botanical) fertilisers/pesticides can be used but also need to be announced to the internal control before use.
- The farmer is obliged to ensure soil fertility by appropriate cultivation measures (mulching, legumes cover crops, green manure etc.) and to minimise erosion.
- All seeds/seedlings used must originate from organic farms or else a confirmation has to be requested that they are neither genetically modified nor treated with pesticides.
- The farmer is not allowed to store any unallowed inputs on the farm.
- During the drying of pepper and cloves, no auxiliaries may be used.
- For new farmers the last use of unallowed inputs is investigated. After the last application at least 3 years conversion are necessary

# The Internal Audit Cycle

Field extension / training



# Internal Inspections

**The internal inspection is a critical component of the ICS process. The internal inspection is the formal verification that the farmers meets ALL the requirements outlined in the organic standard.**

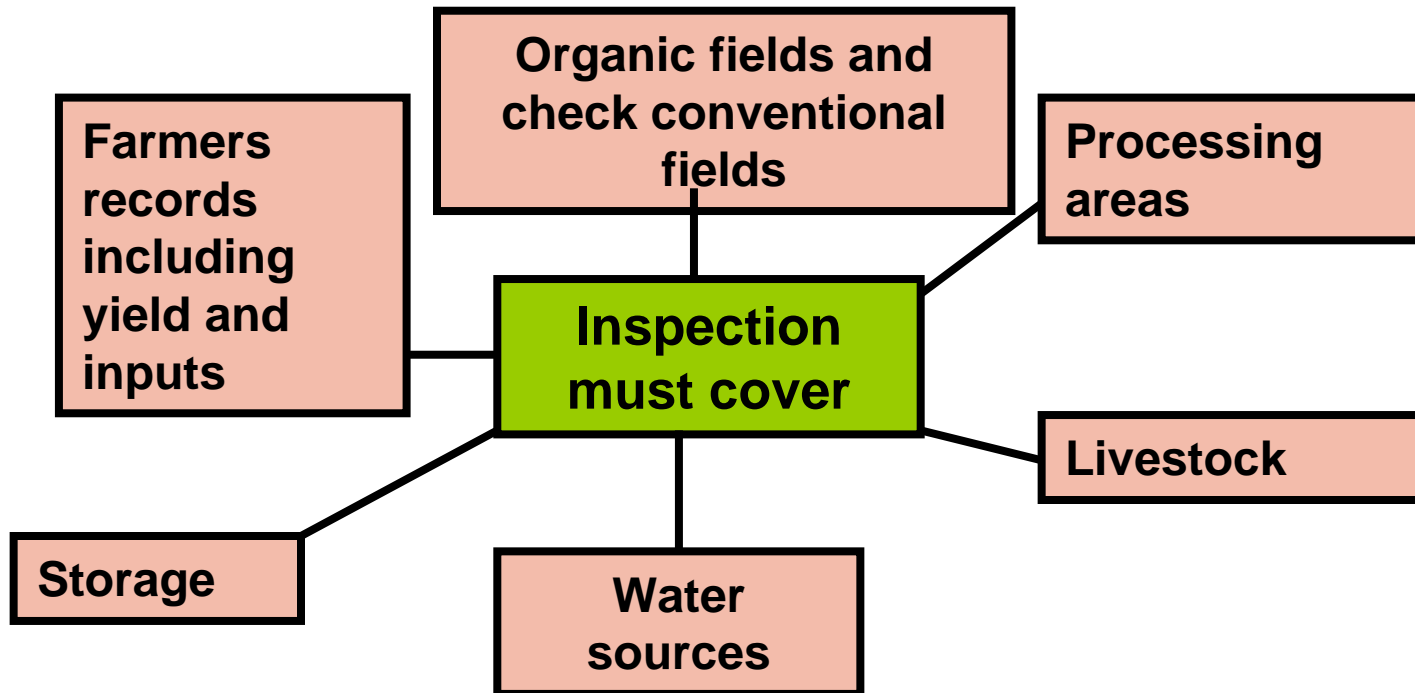
**The 100% of the producers who are to be approved by the ICS must be inspected each year.**

**The inspection should be timed to occur during critical moment(s) in the production cycle when the risks for non-compliance are higher**

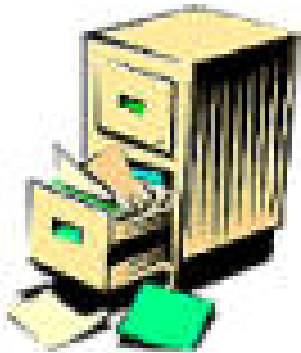


# What is inspected

The inspector must inspect every farm at least once per year



# Documents that should be available for each farmer



- These documents are often organised in a „farm file“ for each farmer
- farm files kept at central place or in different centres
- farmer has at least contract and organic standard

**Farmer's contract / commitment declaration to fulfil standard**

**Farmer's basic questionnaire (incl. field history)**

**Annual consolidated field records (use of inputs, harvested quantities)**

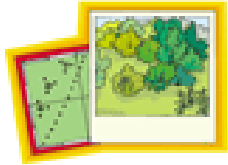
**- can be included in internal checklist -**

**Farm Inspection Checklist (one each year)**

**Maps**

**Notes on trainings or advice given to farmer**

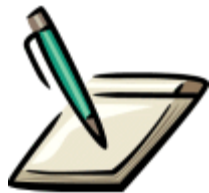
# ICS Documentation



**Certain documents must be kept for each farmer and on ICS level**



**These records are inspected as part of both the internal and external inspection process.**



**As far as possible the farmers should be responsible for keeping their own records but in situations where they cannot, then the ICS operator should provide the necessary support (e.g. field officers keep records)**

## Internal Approval



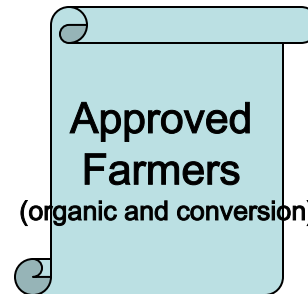
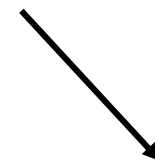
Internal Inspection



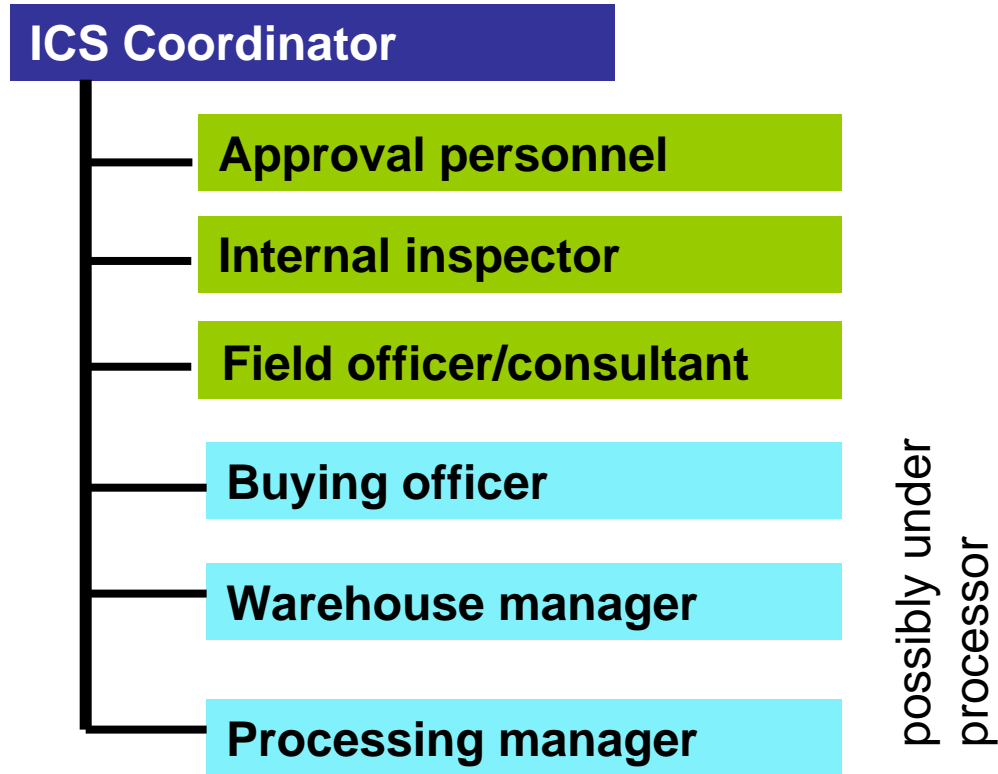
Inspection checklists  
and comments

- screen inspection checklists
- decision on approval
- decide necessary corrective measures
- Sanction as required

Internal Approval Manager  
or Internal Approval Committee



# ICS Key Positions

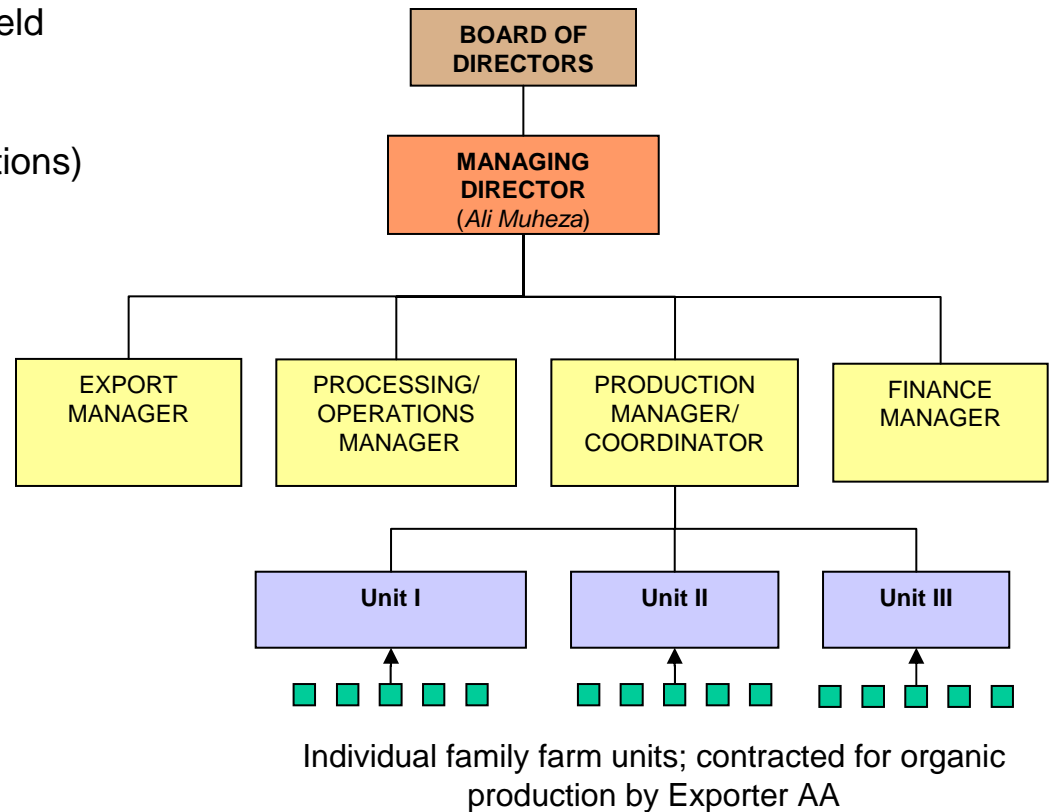


**In principle, one person can handle several positions, but each position should be described in the ICS Operator Manual**

# Organisation of the ICS (Project coordination)

- ICS Organisational Units (office staff, field staff)
- Hierarchies (Manager, field officer)
- Positions of organic staff (types of positions)

The ICS operator needs to develop an organisational chart.



# Training is important

- **The training of ICS trainers and farmers is an important part of the ICS process.**
- **The objective is to provide farmers and project staff with a clear understanding of the relevant aspects of organic farming and, especially, make them aware of the contents and implications of the internal regulation for organic agriculture.**



# Focus of External Inspection



## Internal Inspection

Internal Approval & Sanctions

Internal Documentation

Training & Staff qualifications

Monitoring Product Flow

This is checked by:

- evaluation ICS manual
- farm file checking at ICS office
- comparison with results of re-inspections
- interviews with staff
- review of farmers lists
- overall risk assessment by inspector

The external inspection verifies whether ICS is designed and implemented well so that the organic integrity is sufficiently guaranteed

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