

CERTCOST NEWS

$$P(Y=1|x_i) = \frac{1}{1 + e^{-(\beta_0 + \beta_1 x_i + \beta_2 x_i^2 + \beta_3 x_i^3 + \beta_4 x_i^4 + \beta_5 x_i^5 + \beta_6 x_i^6 + \beta_7 x_i^7 + \beta_8 x_i^8 + \beta_9 x_i^9 + \beta_{10} x_i^{10})}}$$

Economic analysis of certification systems
for organic food and farming

www.certcost.org

Newsletter of the CERTCOST project • 2011 • Number 2

Welcome to the CERTCOST newsletter

Welcome to the second digital newsletter issue from the EU research project, CERTCOST.

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A few words from the coordinator

Welcome to this second CERTCOST newsletter. CERTCOST stands for economic analysis of certification systems for organic food and farming... (continued on page 2)

Subscribe to CERTCOST news for free!

The free CERTCOST newsletter is issued as an electronic email-newsletter (pdf). It issues news on current research within the CERTCOST project and more generally news about events and activities relevant to organic certification systems.

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CERTCOST is a 7th Framework Programme research project supported by the European Commission. The project runs for three years, 2008-2011 and its main objective is to generate research-based knowledge on ways to improve the organic food certification system in terms of efficiency, transparency and cost effectiveness.



CERTCOST
economic analysis of certification
systems in organic food and farming





A few words from the coordinator

Welcome to this second CERTCOST newsletter. CERTCOST stands for economic analysis of certification systems for organic food and farming. This analysis is done in collaboration between stakeholders and scientific experts.

More and more results of the project become available. Some highlights you find in this newsletter. More detailed information is

at the project website www.certcost.org.

Currently we are working on a synthesis of project results. The idea is to move from scientific investigations and their results to recommendations for those involved in the organic certification system. If you want to bring your ideas into this process – which will be finished at the end of this year – please let me know, how you think the organic certification system could be improved [E-mail: certcost@uni-hohenheim.de].

With kind regards,

Professor Stephan Dabbert

Universität Hohenheim, CERTCOST project coordinator.



Two new public CERTCOST reports

Get the five public reports

So far, CERTCOST has published five public reports - in addition to a database on certification actors in 19 countries.

All the reports are available at the front page of www.certcost.org.



Overview of the actors involved in the organic certification chain based on a figure in the report *Economic Concepts of Organic Certification*.



Organic certification logos discussed in the focus groups.

Report: Consumer preferences and willingness-to-pay for organic certification logos

Topic: Recommendations for actors in the organic sector

A consumer study shows that consumers have a low level of factual knowledge about organic production standards and the certification system. Nevertheless, consumers clearly prefer certain organic certification logos more than others. Across the study countries, different kinds of organic logos are the preferred ones

This is evident in a new public report from the CERTCOST project, which in effect gives a number of recommendations for different actors in the organic sector on the use and promotion of organic certification logos.

How to increase consumer trust

The report briefly outlines the methods and results, while the focus lies on recommendations for different actors in the organic sector with regard to the use and promotion of organic certification logos.

To increase consumer trust in the new mandatory EU logo, it is

recommended that promotion campaigns should be carried out explaining what stands behind the logo.



Get the [public report](#).

Report: Public prices and size of the certification sector

A new public report on publicly available prices and the size of the organic sector in the partici-

pating countries.

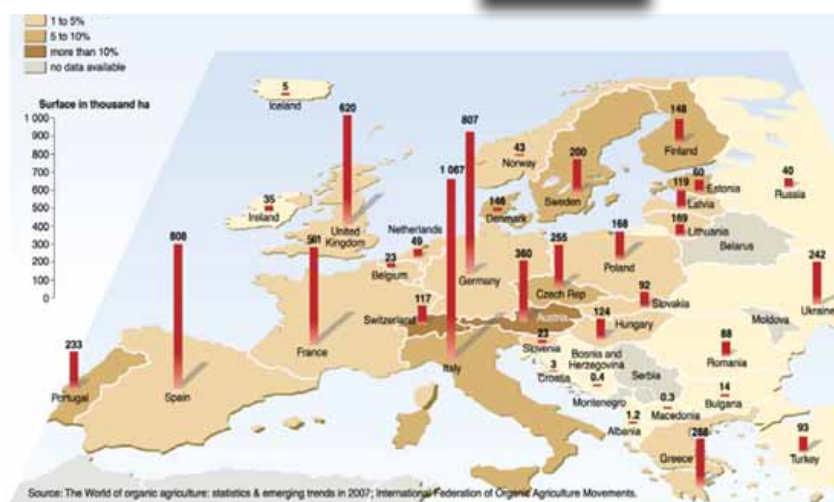
This report surveys the organic certification sector in selected European countries as regards transparency in relation to public availability of fees for inspection and certification of organic operators.

Additionally, the report estimates the size of the organic certification sector in the EU in staff full time years and staff costs.

The study is based on the www.organicrules.org database developed in the CERTCOST project and a detailed questionnaire study carried out in five EU countries (Czech Republic, Denmark, Germany, Italy and the United Kingdom) an associated country (Switzerland) and an EU candidate country (Turkey).



Get the [public report](#).



Overview: Organic farming in Europe, surface area by country (source: maps.grida.no)

Main findings and outcomes of the CERTCOST project - in brief

Below you find an overview of the main results achieved so far.

Several scientific publications are in preparation from the CERTCOST project. You can follow the development on www.certcost.org.

The overall approach of the CERTCOST project is quite innovative, as little research has been done on the issue of organic certification.

Methodological innovations include contributions to risk-based certification systems by Bayesian Belief Networks and different econometric models.

The project outcomes will be - and are already - used by and applied by different stakeholders in the organic certification sector: Certification bodies, competent authorities, the European Commission.

New certification actor database

A new user-friendly database on actors involved in the certification chain in 19 European countries (including Turkey) is publicly available at www.organicrules.org.

EU legislation for organic

The most important European and international legislation that set the framework for organic certification has been reviewed in the public report, [The European regulatory framework and its implementation](#).

Economic theory applied to organic food

Economic theory is applied on organic food products, including

a glossary of certification terms and a presentation of the formation of the organic certification system. This is conveyed in the public report, [Concepts of Organic Certification](#).

Availability of inspection data

The control and certification bodies' records are particularly heterogeneous with regard to i) the kind and level of detail of data which is gathered and stored electronically and ii) the format and structure of how the data is recorded. This is shown in a public report on the availability of inspection data from five EU and two non-EU countries, which has been prepared for Commission Services and other programme participants; [Organic certification in selected European countries](#) (also detailed in [CERTCOST News No. 1](#)).



Better coordination is required

To increase the efficiency of the system, a better coordination and cooperation among control bodies is required. This is suggested in a CERTCOST survey on administrative costs.

Only a few price differences

A market inventory shows that there are only a few significant price differences in each country between products of different certification schemes. This is revealed in a CERTCOST analysis.

Low knowledge of organic standards

A focus group study with consumers revealed: In all study countries, the participants' knowledge of organic standards was generally low. Most of the participants in Italy, Turkey and the United Kingdom had no preference for any particular standard or logo, whereas in the Czech Republic, Denmark, Germany and Switzerland some or more people stated a preference for products of a particular certification scheme.

Consumers prefer certain logos

A study with purchase simulations shows that consumers clearly prefer certain organic certification logos more than others. Across the study countries, different kinds of organic logos are the preferred ones

Control bodies' behaviour differ

There are statistically significant differences between control bodies with regard to control and sanction behaviour. This is shown in an exploratory analysis of supervision data of the German organic system.

Project communication

Intensive communication with stakeholders has taken place, which has generated implications for the project schedule and project work.

Electronic communication tools for internal and external communication, project management and dissemination have been developed, including the CERTCOST newsletter.

Read more: www.certcost.org.

Nuremberg, Germany
16 – 19.2.2011



A stakeholder's view on the CERTCOST session at BioFach

CERTCOST partners presented relevant project results at an open stakeholder workshop at the BioFach Organic World Fair, 16-19 February 2011, Nuremberg, Germany.

By Paddy Doherty, Code Development Manager, ISEAL Alliance, Canada

1. Promising elements in alternative systems

Speaker: Florentine Meinshausen

CERTCOST has compared the organic certification system with other systems, both organic and others to see if there are valuable elements in those other systems that could be used to strengthen the current system.

Florentine Meinshausen from IMO, Switzerland, identified three components that could be useful: Risk-based inspections, capacity building and social networking approaches. On all levels, from operators to competent authorities, there is a lack of capacity. There is also no consistent training. For instance, there is no European or even international approaches.

2. Can certification encourage organic operators to become better organic operators?

Speakers: Susanne Padel, Raffaele Zanolì.

Raffaele Zanolì from Università Politecnica delle Marche in Italy presented on his research into risk-based certification; where certification bodies collect lots of information about the farm, but very little about the farmer. He argued that a financial insti-

tution wanting to assess risk would be very curious about the farmer. Thus he posed the question, why the certification body that is undertaking a similar exercise would not display the same level of curiosity.

Zanolì also explained that the CERTCOST project has formulated 46 hypothetical risk factors that are to be tested. Factors to be included are general, structural, managerial, control related and production specific factors.

In her presentation, Dr. Susanne Padel suggested that organic standards should consider integrating the notion of continuous improvement into their programmes rather than the 'pass or fail' system currently in use by most organic standards bodies. Dr. Padel's talk was particularly interesting for me, having just completed an assessment of 'stepwise' approaches to standards for the ISEAL Alliance Scaling-Up programme.

3. The EU logo and other organic logos from the consumer perspective

Speakers: Meike Janssen, Ulrich Hamm.

Meike Janssen from the University of Kassel, Germany, presented consumer choice experiments to map their preferences and willingness to pay for products labelled with the EU logo and other organic logos. Based on these choice experiments she gave a set of recommendations for the actors in the organic sector, for instance the project recommends EU authorities to fund campaigns targeted at consumers to raise their awareness of the new EU logo.

Read more: www.certcost.org





Those who have cheated will cheat again



“One of the conclusions of the CERTCOST project on how to improve the organic certification system is that **operators that have had one sanction are likely to have another in the future.**

In addition, the results showed that livestock producers have more non-conformities than other producers.”

Introduction of an article by Gunnar Rundgren, GroLink, in *The Organic Standard* on the recent project findings (*TOS*, March 2011, pages 9-10).

In brief

Organic food certification

Before operators can start farming organically or manufacturing organic products, they must first apply to an organic inspection body or authority in their Member State.

Their premises and production methods have to be inspected and acknowledged by the inspection body or authority. Organic farms also have to undergo a conversion period, before they can sell their products as organic.

Improving the organic certification system

Workshop in Brussels
14. October 2011

The CERTCOST project holds a workshop on how to improve the organic certification system.

The workshop presents the results and recommendations from the EU FP7 project “Economic Analysis of Certification Systems in Organic Food and Farming” (CERTCOST).

Workshop objectives

- to present and discuss the results and synthesis

of the CERTCOST project, and
- to critically discuss the project recommendations with stakeholders before they are finalized.

Limited number of participants

The overall number of participants is limited. If you register before September 4, 2011 we can guarantee your participation. After that date we will accommodate registrations on a first come first serve basis.

Venue: Vertretung des Landes Baden-Württemberg bei der Europäischen Union
Rue Belliard 60 - 62, 1040 Bruxelles

Date: Friday, 14. October 2011, 9:15 a.m. - 13:15.

Get the full invitation at www.certcost.org.

About this newsletter

This newsletter is produced and distributed by the International Centre for Research in Organic food Systems, ICROFS.

