

ORGANICDATA
NETWORK



RECOMMENDATIONS

DATA NETWORK FOR BETTER EUROPEAN ORGANIC MARKET INFORMATION



The OrganicDataNetwork project has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under grant agreement no 289376.

IMPROVING EUROPEAN ORGANIC MARKET

RECOMMENDATIONS FROM THE ORGANICDATANETWORK

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Introduction

The aim of this part of the work is to set out the detailed recommendations for significant improvements in the availability and quality of statistical information on the organic market.

The recommendations are outlined in a short sentence followed by specific bullet points identifying areas of improvements. The recommendations are then described briefly in terms of background, objectives, and specific actions linked to the criteria and principles explained hereinafter.

Methodology

These recommendations are based upon the results of the studies conducted during the OrganicDataNetwork project.

The recommendations of the previous EU-funded project “European Information System for Organic Markets” (EISfOM) (QLK5-2002-02400) have formed the starting point of the development of this new set of recommendations.

In addition, two stakeholder workshops and the electronic forum debates on the OrganicDataNetwork website have contributed in drafting the list of issues that need further attention from both policymakers and data collectors.

Criteria

In order to develop recommendations from the project results, we have considered the principles of a desirable organic market data development, production and dissemination in Europe. These have been defined in the organic market data Code of Practice that we have developed as part

of OrMaCode (ORganic market data MAnnual and CODE of Practice: <http://www.ormacode.organicdatanetwork.net>) and which is consistent with the European Statistical Code of Practice (Eurostat, 2011).

These principles are:

INSTITUTIONAL ENVIRONMENT

- ▼ Professional independence
- ▼ Mandate for data collection
- ▼ Adequacy of resources
- ▼ Statistical confidentiality
- ▼ Commitment to quality
- ▼ Impartiality and Objectivity

STATISTICAL PROCESSES

- ▼ Sound methodology
- ▼ Appropriate statistical procedures
- ▼ Non excessive burden on respondents
- ▼ Cost effectiveness

STATISTICAL OUTPUT

- ▼ Relevance
- ▼ Accuracy and reliability
- ▼ Timeliness and punctuality
- ▼ Coherence and comparability
- ▼ Accessibility and clarity

For further details on these principles, we refer the interested reader to the OrMaCode.

01

EXTEND THE MANDATE FOR STATISTICAL DATA COLLECTION ON THE ORGANIC MARKET

The European Commission should extend the mandate for statistical data collection on the organic market, specifically

- by increasing the number of statistical data types collected,
- by collecting statistical information on prices and volume and value of production, domestic market, and international trade by defined product or product groups,
- by collecting import/export data by including organic imports/exports to national foreign trade statistics and by specific provision on the TARIC code (for third country imports),
- by specifying a legal mandate to provide statistical information not just by Member States, but also by control authorities, control bodies, customs authorities and, where relevant, individual companies.



Control authorities/bodies currently represent the administrative source of the most extensive information on organic farming. However, these authorities/bodies have a legal mandate to perform controls and to report about them, but not a specific legal mandate for statistical data collection. A legal mandate to Member States for data collection has been issued as part of the previous organic regulation (Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91). In article 36 was written:

“Member States shall transmit to the Commission the statistical information necessary for the implementation and follow-up of this Regulation. This statistical information shall be defined within the context of the Community Statistical Programme”.

Further details of the obligation of the Member States is provided in Art 93 of the Commission Regulation (EC) No 889/2008 Art.93 on statistical information.

In the Commission’s proposal for a new organic regulation (COM(2014) 180 final), article 33 mentions:

1. Each year Member States shall transmit to the Commission the information necessary for the implementation and monitoring of the application of this Regulation.
2. The Commission shall adopt implementing acts as regards the system to be used for transmitting the information referred to in paragraph 1, the details of information to be transmitted, and the date by which that information is to be transmitted.

In the new text, the terms “statistical information” is substituted by the broader term “information”. No mention is made of the Community Statistical Programme or of Eurostat. The implementing regulations/delegated acts should make clear that the current obligation remains in place.

Similarly, in the new European Organic Action Plan (COM(2014) 179 final) (Action 8) it is established that the Commission “will publish regular reports on organic production in the EU, containing, in particular, information on surfaces, holdings involved in organic production as well as main production sectors”. The target in statistical data collection appears to be significantly lowered compared to the provision of the previous European Organic Action Plan (COM(2004) 415 final): Action 3): “Improve the collection of statistical data on both production and market of organic”.

However, an improvement of current mandatory data provision of the member states would contribute to both the inspection system and market transparency. In order to achieve this improvement, it is suggested that Commission Regulation (EC) No 889/2008 Art.93 (2) on statistical information to be provided by the Member States should be fully implemented in the Member States.

In addition to the provisions in Commission Regulation (EC) No 889/2008 Art.93 (2), collection of sales data from processors, wholesalers, retailers, importers and exporters should be made mandatory. Furthermore, prices and volume and value of production, domestic market, and international trade should be collected, and disaggregated by product or product group.

Amendments to the EC Regulations on the collection

of Intra- and Extra-EU trade statistics by Member States should allow differentiation in the statistics on trade that are collected monthly from trade operators. Either an extra indicator or an extra digit for organic products should be added to the foreign trade statistics of the national statistical institutes like it has been done in Denmark for many years. Commission Regulation (EC) 2286/2003 on the Community Customs Code should be amended by rendering mandatory for import/export operators the C644 code (Certificate of organic inspection) in Box 44 of the Single Administrative Document (SAD) when importing/exporting or re-exporting organic products¹. Additionally, an extra digit should be appended to the TARIC code on relevant organic products, as already trialled by the Italian customs authorities in 2012 for cereals and oilseeds. This will allow the improvement of current foreign trade data collection by distinguishing between organic and non-organic products and will improve product traceability, especially if certificates would be issued in electronic form.

A clear legal mandate should be issued to specify which legal entities are obliged to provide statistical information. Since high quality statistical data needs to be collected at the source, it is suggested that the legal mandate to provide statistical information should be extended to control authorities/control bodies, and, where relevant, to individual companies. A system of incentives (e.g. financial compensation) and/or legal requirements should be established to ensure the statistical quality of data produced by control bodies and individual companies and reported to national authorities and the European Commission in accordance with statistical user needs. Members States should involve their national statistical institutes in producing and disseminating organic market data.



1. Currently, the code is optional for operators.

02

DEVELOP BETTER STATISTICAL PROCESSES TO INCREASE ACCURACY OF DATA COLLECTION ON THE ORGANIC MARKET

Data providers should develop better statistical processes to increase accuracy of data collection on the organic market, specifically

- ▶ by paying more attention to coverage,
- ▶ by adopting better sampling procedures,
- ▶ by crosschecking expert estimates against other sources,
- ▶ by implementing the OrMaCode.

Different types of data exist. Primary data are collected directly by the researcher. Secondary data are data from existing sources, collected by desk research. Before any primary data collection is attempted, any organisation engaged in organic market data collection should search for secondary data and compile an inventory showing which information is already available and if this information is based on proper data collection procedures. The universe (or population) under investigation should also be identified clearly before attempting any sampling or surveying.

Once the universe has been identified, one should decide if a complete census could be taken. A census is a complete survey of the population. When populations are small, a census is probably a better solution than a sample. In taking a sample, information is collected only on a limited, but hopefully representative, fraction of the population. Sampling procedures should aim at minimizing sampling errors by giving specific attention to issues of representativeness or coverage of the universe.

In general, when no data on a defined population exist, and only expert estimates are available, it is highly recommended to make a crosscheck and validate them against at least one other independent source, in order to increase data validity and accuracy. OrMaCode explains what steps should be performed to design and perform a reliable survey on the organic market. We recommend that current and future data providers comply to the OrMaCode Manual, in order to increase the availability of good quality organic market data.



Recommendation

03

HARMONISE THE STATISTICAL PROCESSES FOR DATA COLLECTION ON THE ORGANIC MARKET TO INCREASE COHERENCE AND COMPARABILITY

National statistical institutes and national authorities should harmonise statistical processes for data collection on the organic market to increase coherence and comparability, specifically

- by harmonising national definitions, nomenclature and classification of statistical outputs to the Eurostat Statistical Classification of Products by Activity (CPA),
- by harmonising aggregation rules for raw data,
- by implementing a unique and permanent identifier for each inspected operator ensuring the portability of such identifiers when changing control body/control authority,
- by providing an electronic data collection tool to the control bodies.

Data providers other than official national statistical institutes should comply with this recommendation in order to ensure smooth data sharing and aggregation across different data providers.

Coherence of statistics is defined as “their adequacy to be reliably combined in different ways and for various uses” (Ehling and Körner, 2007). Comparability is defined as “the extent to which differences between statistics from different geographical areas, non-geographical domains, or over time, can be attributed to differences between the true values of the statistics” (ibid.).

There is a need for standardised and harmonised procedures to ensure higher coherence and comparability of organic market data, and therefore increase data quality. Almost every Member State uses its own definitions, nomenclature and classifications for statistical purposes, though harmonisation efforts are on-going. Only a few bodies use international classifications such as the EUROSTAT – CPA (Regulation (EC) No. 451/2008) or the UN Standard International Trade Classification (SITC) (United Nation Statistics Division, 2014).

Harmonising the definitions, nomenclature and classifications, as well as the rules on how statistical information is aggregated, will allow country-to-country data comparisons of organic production, trade and other market data and time series data within one country. Harmonisation also enables better data sharing between data providers.

Additionally, the new organic regulation and its implementing regulations should more precisely define the statistical data to which it refers (see also recommendation 1) and should seek harmonisation in the product classification and nomenclature, with specific reference to Eurostat codes. As already proposed by the EISfOM project (Rippin et al., 2006), the new organic regulation should include an annex covering statistical reporting of organic market

data. The implementation of data harmonisation could then be covered with specific guidelines to be provided as part of the implementing regulation.

The administrative authorities can achieve additional improvements in data collection through a unique and permanent identifier (e.g. tax code or any other unique code used at national level) for each inspected operator, ensuring the portability of such identifiers when changing control body/control authority, as already happens in some Member States. Furthermore, the OrganicDataNetwork suggests to providing the control bodies with an electronic data collecting tool that includes Eurostat classifications for products, area and livestock data. The tool will harmonise controls and certification and will serve for statistical purposes as well.



Recommendation

04

ESTABLISH A SYSTEM OF ROUTINE QUALITY CHECKS FOR ORGANIC MARKET STATISTICAL DATA

Data providers (including national statistical institutes) should establish a system of routine quality checks for organic market statistical data, specifically

- ▶ by applying data quality indicators,
- ▶ by balancing data accuracy vs. timeliness in data publication and dissemination,
- ▶ by data editing,
- ▶ by regularly applying plausibility checks,
- ▶ by comparing and cross-checking non-official statistical data from at least two independent sources, to increase accuracy and consistency.

Commitment to quality should be an important guiding principle for organic market data providers. As a precondition to increase data quality, an inventory should be compiled showing which information is already available on the data (metadata). Furthermore, quality indicators should be identified. A quality indicator is “a specific and measurable element that can be used to characterise the quality of statistics” (ibid.). Among quality indicators, process quality variables measuring the quality of a statistical process (e.g. data collection) should be identified. These variables are those that have the largest effect on data quality. These variables may be used for balancing accuracy vs. timeliness.

Accuracy in statistics is defined as “the closeness of computations or estimates to the exact or true value” (Ehling and Körner, 2007). Timeliness of information reflects the length of time between its availability and the event or phenomenon it describes. For example, in a survey, one could achieve a higher response rate (and higher accuracy) by sending multiple reminders to prospect respondents, at the expense of timeliness. Similarly, more days allocated to data collection may consistently improve data quality at the expense of timeliness and punctuality.

User surveys (or in-depth interviews with key users) may also help in establishing the current quality of the data and the need of improvements. Data editing is defined as “the application of checks that identify missing, invalid or inconsistent entries or that point to data records that are potentially in error” (ibid.).

Among data editing procedures, plausibility checks serve to screen the quality of data. Therefore, these checks are highly recommended to all

organisations and individuals engaged in collecting and disseminating organic market data. But, of course, performing plausibility checks on its own is not sufficient to achieve data quality. Whenever inconsistent data are found, better data should be sought. Alternatively, inconsistencies should be signalled when disseminating the data. The use of metadata and explanatory notes when disseminating statistical information is a crucial step to increasing data quality.

The OrganicDataNetwork database (as illustrated in the OrMaCode Manual) is an example of how these data checks could be applied to increase data quality.



STRENGTHEN THE INSTITUTIONAL FRAMEWORK FOR STATISTICAL DATA COLLECTION ON THE ORGANIC MARKET

The European Commission, in cooperation with Member States, should strengthen the institutional framework for statistical data collection on the organic market, specifically

- by increased data collection efforts of EUROSTAT and national statistical offices,
- by establishing and funding permanent, long-term networks of data providers and users at European and national level,
- by developing training initiatives to improve the quality of organic market data collection.

At present public and private bodies are involved in data collection relevant to the organic market. Eurostat and most national statistical offices employ expert statisticians and are likely to have better infrastructure and better statistical process than other data providers. However, many statistics are developed, produced and disseminated with reference to the conventional agro-food sector only. One way to improve the availability and quality of organic market data statistical information is by expanding conventional data collection processes and outputs to the organic sector with appropriate adaptation to reflect the specific characteristics of this sector.

Continuing and funding a network of all relevant organic market data providers and users in the long term is another way to improve the availability and the quality of existing statistical information. This permanent network – initiated by the OrganicDataNetwork project – should not act as a subsidiary of Eurostat but be established as a permanent, independent research and dissemination network with direct involvement of public institutions (including Eurostat) as well as private organisations and NGOs that have experience with this sector. The network should aim to provide further innovation in statistical processes related to organic market data, to enhance statistical data quality and to increase market transparency. The output of the OrganicDataNetwork project gives a good example that such a network is functioning. Specific future activities include:

- the organisation of training and dissemination events of the OrMaCode,
- data sharing,



- ▼ the continuation of joint data development, production and publication efforts.

The use of an integrated network approach involving stakeholders is also recommended at national level. National networks should be established in Member States involving relevant data providers and data users. Where national platforms or observatories already exist, it is suggested that their structure should reflect the suggestions included in this recommendation.

These EU/national networking platforms should integrate public and private organisations and establish a transparent mechanism to facilitate communication between statistical institutes, external experts and other stakeholders. Adequate funding should be granted in order to implement – at the national level – the necessary harmonisation of statistical processes identified in Recommendation 4.

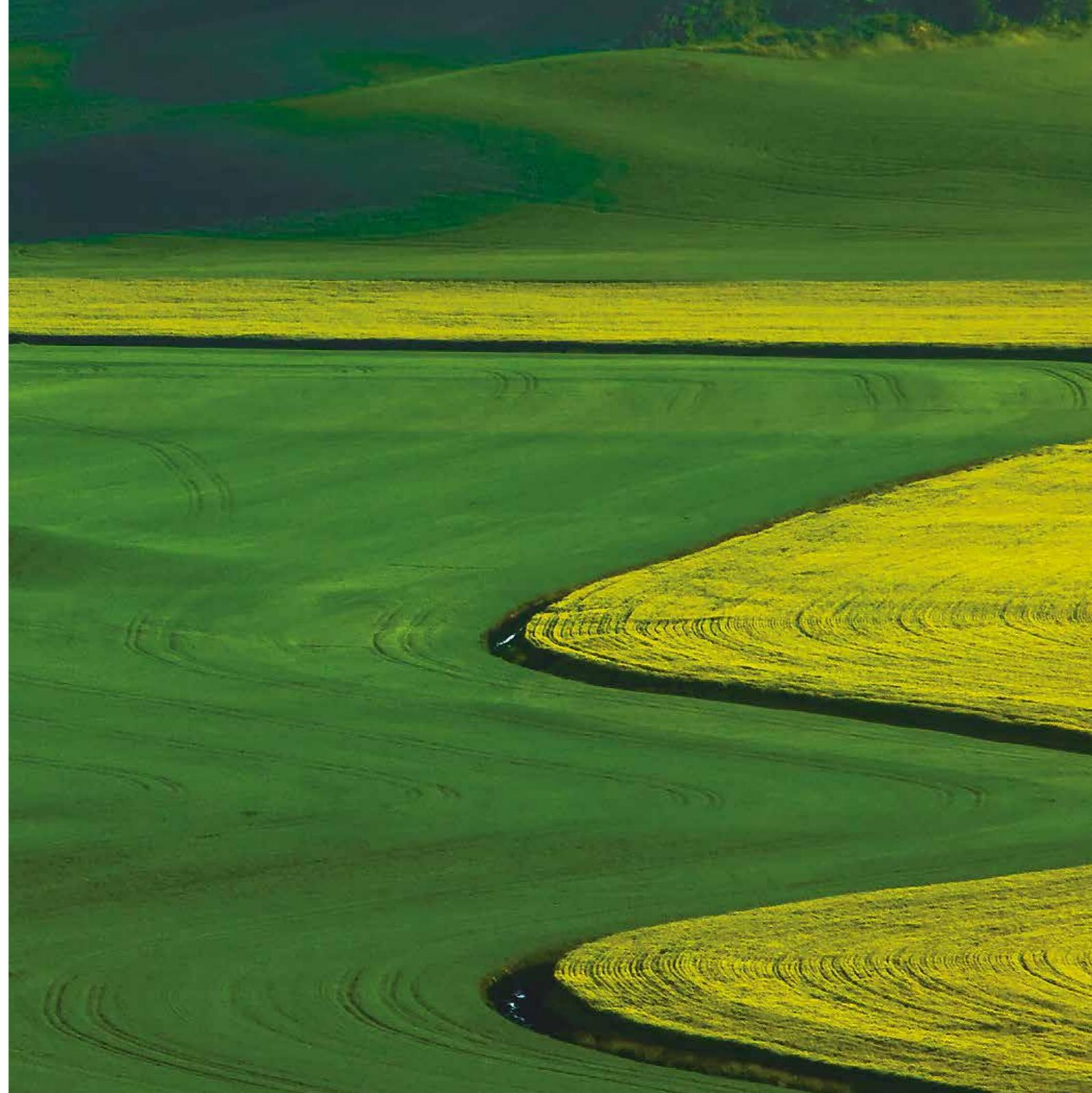
In addition, these platforms should be organised as coordinated peer-to-peer networks aiming at creating, using and sharing public knowledge collectively created by members.

Creative Commons offers examples of how creative work can be granted public permissions to share and use it under certain conditions. Creative Commons is a non-profit organization that enables the sharing and use of creativity and knowledge through free legal tools (<http://creativecommons.org/>). Using a 'Creative Commons' approach will enable data providers to maximize the interoperability of data and databases, while reserving the rights to commercially exploit these data to some extent. The task of coordinating national networks could be mandated to the European network initiated by the OrganicDataNetwork.

When data are shared, they can be cross-checked, enhancing the overall data quality. Mutual collaboration and information sharing along the whole statistical "supply chain" will produce statistical information of higher quality than in a non-collaborative environment.

Increasing the performance of any quality-oriented system cannot be separated from increasing the level of knowledge of all actors involved. Improving the statistical quality in the European Statistical System (ESS) is clearly a knowledge-driven process. Both experiential and formal knowledge are needed. It is, therefore, recommended to develop specific training initiatives and programmes:

1. to enhance the organic sector knowledge of organic market statistics and their appropriate use,
2. to increase the level of statistical knowledge of data providers other than statistical institutes,
3. to increase the awareness and knowledge of statistical institutes on the functioning of the organic market.



06

USE MEASURES OF THE RURAL DEVELOPMENT PROGRAMME TO PROVIDE INCENTIVES TO INCREASE THE AVAILABILITY AND THE QUALITY OF ORGANIC MARKET DATA

The European Commission and the Member States should use measures of the Rural Development Programme to provide incentives to increase the availability and the quality of organic market data, specifically

- by providing specific funding to a permanent, long-term European network as detailed in Recommendation 5,
- by implementing specific national networks to drive innovation and quality enhancement in organic market data as part of the European Innovation Partnership Agriculture productivity and sustainability (EIP-AGRI) (<http://ec.europa.eu/eip/agriculture/>).

The establishment of the networks detailed in Recommendation 5 would require a commitment of resources for at least the next Commission's planning period. Given that these networks should be committed to providing innovation in the governance of organic markets by means of increased information and transparency, funding could be provided by the CAP and the Rural Development Programme.

The EIP is a new European instrument driving research policy and the CAP and is designed to support partnerships between key actors including researchers and businesses. According to the new European approach to innovation, innovation in agro-food systems is not only a result of research and knowledge transfer but is driven by interactions between players in more or less formal networks.

As such, it is recommended to address explicitly – in the new Organic Regulation – the possibility to establish a public-private partnership implementing the permanent learning networks detailed in Recommendation 5 by means of the EIP funds, both at the EU and national level.



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