Annexes

to the report "Impact of the New EU Organic Regulation on Smallholder Value Chains and the European Organic Sector"[1] -

Authors of Annex: Florentine Meinshausen and Toralf Richter, November October 2024

Contents

[1] Meinshausen Florentine; Richter Toralf; Huber, Beate (2024) Impact of the New EU Organic Regulation on Smallholder Value Chains and the European Organic Sector. Research Institute of Organic Agriculture FiBL, Frick The full report can be downloaded from https://orgprints.org/id/eprint/54313/

Abbreviations/Glossary

BTSF: Better Training for Safer Food
CB: Control Body
CN codes: Combined Nomenclature codes[2]
COI: Certificate of Inspection
COLEAD: Collective Action for Sustainable Development
EGTOP: Expert Group for Technical Advice on Organic Production, European Commission
EU: European Union
FAO: Food and Agriculture Organisation of the United Nations
FiBL: Research Institute of Organic Agriculture/Forschungsinstitut für biologischen Landbau
GIZ: **Deutsche Gesellschaft für Internationale Zusammenarbeit** (German Corporation for International Cooperation
GoO: Group of Operators
GOTS: Global Organic Textile Standard
ha: Hectare
ICS: Internal Control System
ITC: International Trade Centre, Geneva
NOP: National Organic Programme, USA
OFIS: Organic Farming Information System of the European Commission
SECO: State Secretariat for Economic Affairs, Switzerland
SPO: Small-scale Producer Organisations
t: Metric ton
UK: United Kingdom

[2] CN codes (Combined Nomenclature codes) are part of the European Union's system for classifying goods in international trade. They are used to categorize products in a standardized manner to facilitate trade, customs declarations, and statistical reporting within the EU.
The CN system is based on the Harmonized System (HS) developed by the World Customs Organization but includes further subdivisions specific to the EU.

ANNEX I: Methodology

Annex 1.1 Online survey for producer groups, producers and traders in third countries

FiBL launched the online survey on the implications of the new EU regulation for organic groups and operations in third countries in early December 2023, as well as an online survey for EU traders and other stakeholders. The surveys were promoted widely in collaboration with IFOAM – Organics International and shared via FiBL's networks and selected organic organisations such as Bio Suisse (Switzerland).

In total, 580 international stakeholders participated in the survey, of which 357 responses contained a sufficient set of data to be used for the analysis in this study.

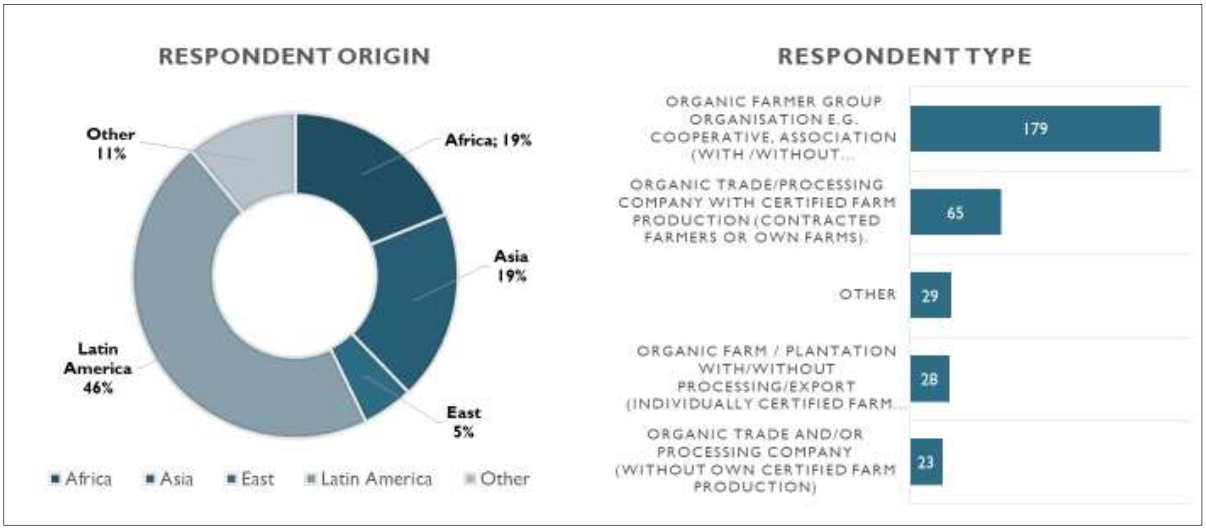

Figure 1: Composition of the respondents of the third country online survey by region and type of stakeholder

The majority of respondents came from Latin America (46%), followed by Africa and Asia (19% each) and Eastern Europe (5%), representing organic farmer group organisations (see Figure 1).

The biggest number of participants represented producer groups producing coffee, bananas, cocoa or spices and members with an average farm size of 0-5 ha (see Figure 2).

The online survey of groups, producers & traders contained the following questions, as shown in Table 1.

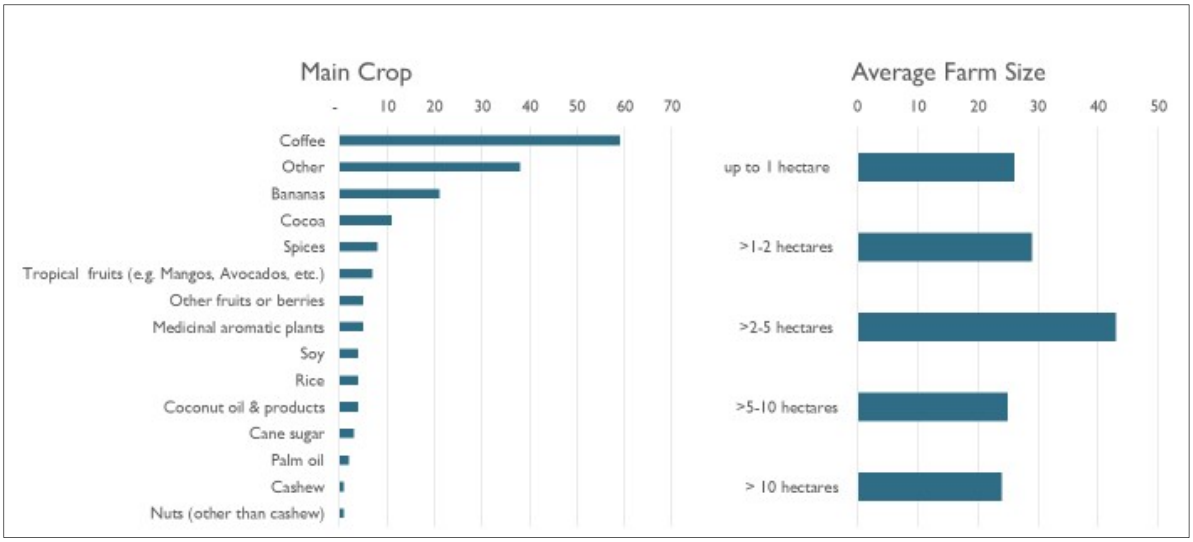

Figure 2: Composition of the respondents of the online survey for third countries, by crops and group member farm size represented by the stakeholders

Table 1: Topics of the survey for third country operators and groups

1. About you and your organisation	Country, type of operation
2. About your organic operations	Organic export product, annual volume, additional details, certified activities, most important market destinations Number of farms in group/ you buy from (in group/single certification), average farm size of farmer; farmer revenues from organic production
3. Implications of the new EU Organic Regulation	Information on changes Rating of potential effects of different rules for a Group of Operators for your operation Rating of potential effects of selected new stricter EU organic production rules for your operation Effects of measures in case of residues/unauthorised substances
4. Overall implications	Impact on certification costs, costs to achieve initial certification, effect on annual costs to maintain certification, overall effect on sales prices Expected overall implications of the new rules for your business Opportunities and advantages of the new rules for your business

Annex 1.2 Surveys of traders in Europe and other stakeholders

FiBL launched the online survey on the implications of the new EU Regulation for European traders of organic products from third countries in early December 2023 and promoted the survey by different stakeholder organisations such as IFOAM–Organics International, Bio Suisse (Switzerland), AöL (Germany), OPTA (The Netherlands) until May 2024.

Survey of organic product traders in Europe

In total, 45 organic traders participated in the survey. The majority came from Germany, Switzerland and The Netherlands and represented mostly processors and traders who are directly importing from third countries (see Figure 3).

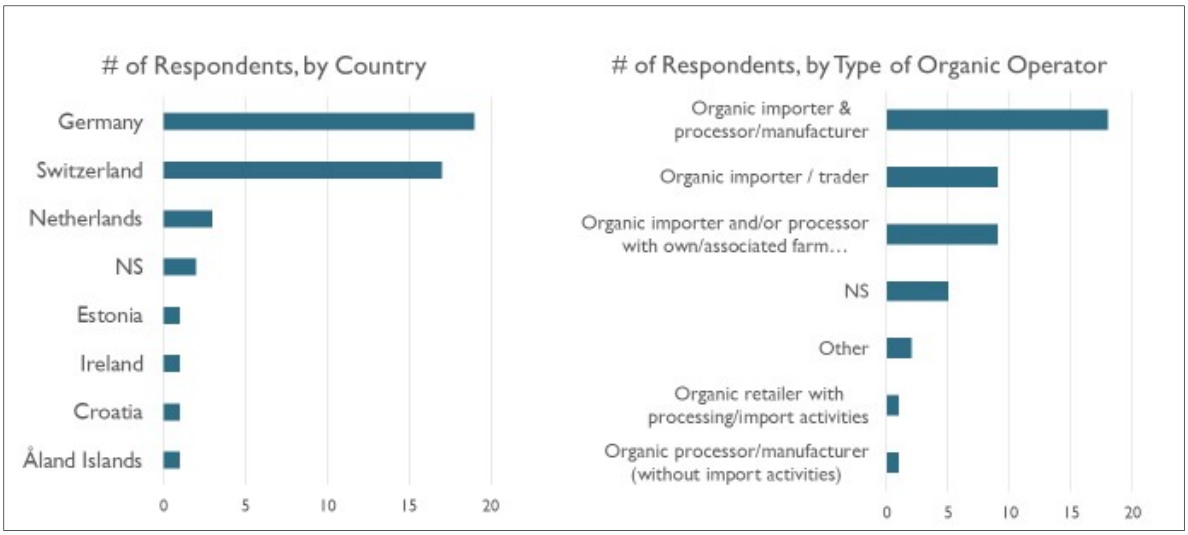

Figure 3: Composition of the respondents of the online European trader survey, by country of origin and type of organic operator

The online survey for traders in Europe included the questions as shown in Table 2.

Table 2: Topics of the survey for European traders

1. About you and your organisation	Country, type of operation
2. About your organic operations	Most relevant countries of origin of organic imports; organic certification scope, number of groups and/or farmers in groups you approximately source from, organic imports from third countries.

3. Implications of the new EU Organic Regulation	Evaluation of the effect of the new regulation and strengthened import scheme on your business up to now; implications of Regulation 2018/848 in third countries for own business Rating of potential effects of the new definition of a "Group of Operators" for your smallholder supply chains (if any) Rating of the potential effects of new/stricter organic production rules Evaluation of measures in case of unauthorised substances
4. Overall implications	Impact on own certification costs; certification costs of the suppliers and market prices for imported products /overall effect on sales prices Expected overall implications of the new rules for your business Opportunities and advantages of the new rules for your business

"Other stakeholder" survey

In total, 63 other organic stakeholders participated in the "other stakeholders" version of the survey. Most were representatives of organic control bodies, consultants or national organic associations (see Figure 4).

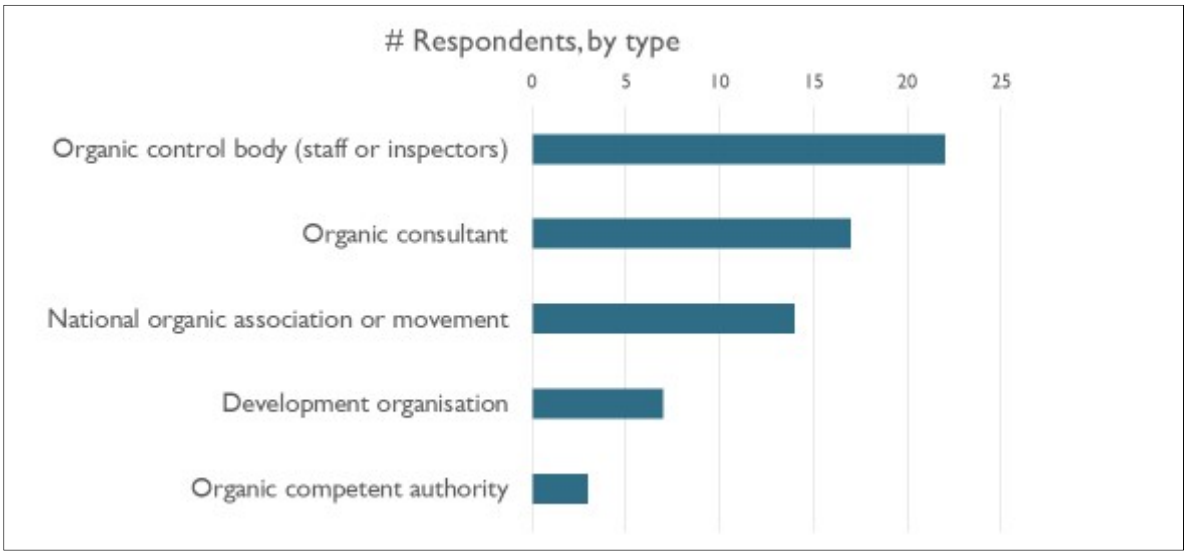

Figure 4: Composition of the respondents of the online survey "other stakeholders"

The online survey for other stakeholders contained the questions as shown in Table 3: Topics of the survey for "other stakeholders.

Table 3: Topics of the survey for "other stakeholders"

1. About you and your organisation	Country, type of stakeholder
2. About your organic operations	Main third countries you are involved, most important organic products ; Your role and the type and number of organic producers, smallholder groups or processing/trade companies you support or work with
3. Implications of the new EU Organic Regulation	Information on the changes Rating of potential effects of the new definition of a Group of Operators for groups you support or work with Rating of effects of the new/stricter organic production rules for groups, or operators you support or work with Measures in case of unauthorised substances
4. Overall implications	Expected overall implications of the new rules; Opportunities and advantages of the new rules for your business.

Annex 1.3 Country case studies Peru, Ghana and Morocco

Three short country case studies aimed to analyse the situation and specific challenges and opportunities for organic smallholder value chains in important organic production countries: Peru, Ghana and Morocco. The case study countries were selected during the project planning phase with the primary donor of the study, SECO, and represent key organic production countries in different regions as well as the Mediterranean region's importance of imports into Switzerland.

The country case studies were carried out by local organic experts conducting interviews following the list of questions of the third country producer survey but diving deeper to analyse the current situation and adaptations needed to meet the rules of the new EU Organic Regulation as well as specific challenges and possible ways forwards. The interview results were also entered in the online survey for producer groups in third countries as an accessibility measure to include feedback from smaller producer organisations in different language regions, who would not respond directly to an international online survey sent out by FiBL. The case studies also include a compilation and summary of available data on organic production and trade with a specific focus on smallholder production in the case study countries.

Challenges in the country case studies included the low level of awareness of the new rules of EU Regulation 2018/848 and practical implications. Hence, all interviews had to include also a summary of the regulatory challenges before respondents evaluated

potential implications. Table 4 provides an overview of the main characteristics of the case studies.

Table 4: Overview of the case studies

	Peru	Ghana	Morocco
Period of interviews	February – May 24	March-May 24	March-May 24
Interviews	10	10	5 (deeper analysis)
Experts	Roberto Joaquín Salazar Córdova	Ernestina Mensah-Pebi	Zaoui E Housseine

The results of the three country case studies are summarised in Annex 3, country and crop analysis.

Annex 1.4 Stakeholder interviews in the EU and Switzerland

Additional interviews with key stakeholders in Switzerland and EU countries gave a deeper understanding of the detailed level of the expected implications for the EU market. Besides, a regular exchange also took place with key actors to obtain updates on the implementation of and the transition to the new compliance control system or about updates on specific production rules, which were in the period of the study still in the process of the finalisation (e.g. the list with authorised substances, which can be used in organic production and processing). Table 5 provides an overview of the individual oral interviews conducted with stakeholders in Switzerland and EU countries.

Table 5: Overview of stakeholder interviews in EU and Switzerland

Control Bodies	5 Interviews with leading international organic control bodies Regular exchange with the European Organic Certifiers Council (EOCC)
Organic industry associations and development organisations	Interviews with AÖL, BÖLW Regular exchange with IFOAM – Organics International and IFOAM Organics Europe, Bio Suisse, COLEAD, BÖLW, AöL and OPTA (Organic Processing and Trade Association)
Authorities	2 interviews with organic competent authorities within the Ministry of Agriculture (in Germany and Switzerland)
Organic importers and processors	9 importers and traders

The semi-structured interviews followed the same set of questions as the online survey for European traders. In the case of control bodies and organic associations, a wider range of topics was discussed in addition to collecting information on expected implications, e.g. status of the control bodies' application and recognition and plans for the transition to the compliance control system.

In most cases, it became apparent during the interview that almost none of the most significant changes in third country organic production for smallholder supply chains were known to the interviewee. Hence, a summary of the changed rules had to be given to discuss the expected potential implications. Consequently, the interview guideline was slightly adapted after the first five trader interviews to include follow-up questions ("what if") based on third-country survey findings.

The interviews with stakeholders contained the questions as shown in Table 6.

Table 6: Interview questions for European stakeholder interviews

1. About you and your organisation	Country, type of stakeholder/business/representation Own information and level of involvement regarding the new EU Organic Regulation
2. Current situation	Depending on the interview partner (authorities, control bodies, importers, sector associations)
3. Main challenges	Awareness of the changes for groups and operators in third countries Rating of the potential effects of the EU Regulation's new definition of a "Group of Operators" Rating of the potential effects of the new/stricter organic production rules
4. Expected overall implications/scenario	Expected overall implications of the new rules for own business, members or customers For importers: What effect on the market would you expect when the market price for organic imported products would increase by 20% (effects on demand, supply situation)

Annex 1.5 Analysis of Fairtrade impact and trade data

The study included a detailed analysis of Fairtrade producer data (CODImpact data 2022 and Fairtrade data 2022) conducted with the help of Fairtrade International. Unlike most organic data collections, such as those used for the annual yearbook The World of

Organic Agriculture (Willer et al. 2024) or control bodies' (CBs) databases, Fairtrade producer data allow for the evaluation of criteria specific to Groups of Operators. The data include, for example, whether groups are composed of both organic and non-organic farmers and the number of members within each group. The Fairtrade producer data cover a total of 855 organic Fairtrade Small Producer Organisations that contribute significant smallholder volumes to the European organic market. The analysis, therefore, provided key insights to understand better the heterogeneous effects and implications of the new group of operator rules.

About the data source for Fairtrade producer data: Fairtrade CODImpact 2022: 'Collection of Data for Impact 2022'
CODImpact is a voluntary questionnaire administered by FLOCERT during the audit to the Producer Organization. CODImpact data are reported by Producer Organisations on a voluntary basis. Therefore, there may be missing information not reported. In addition, data quality checks are performed continuously thus the data presented could change in future reports. Fairtrade International is not responsible for the accuracy of the data. The information has been compiled to the best of Fairtrade International's knowledge and is provided for informational purposes only.

Estimation of Group of Operator implications by FiBL experts

The number of affected groups and farmers presented in the study are estimates, compiled with the best of FiBL's knowledge based on available data. Evaluation against the new Group of Operation criteria of Article 36.1 was done by the first author of this study, based on reported organic & non-organic areas, number of total members, and type of Fairtrade producer organisation. The assessment also considered farm size data and organic turnover analysis for different crops as collected within the scope of FiBL impact studies on the new regulation.

Annex 1.6 Types of organic producer groups and need to adapt

Annex 1.6.1 Types of currently certified producer groups

Current organic producer group organisation and certification set-ups under equivalence with the previous EU Organic Regulation and other organic or sustainability standards vary greatly between commodities and regions. To analyse the implications of this study, we defined different simplified "types" of organic producer groups and their characteristics.

Type of producer group	Description of group set-up under EU organic equivalence
1a Farmer Organisation with ICS	A farmer organisation, which is composed of farmers as members (primary or first-grade producer organisation), e.g. a farmer cooperative or producer association. Some farmer organisations have only organic (or in-conversion) members; some are "mixed" with organic as well as non-organic members.
1b Farmer Federation with ICS	A secondary (or second-grade) farmer organization, which is composed of primary farmer organisations as members, e.g. a federation or a union of farmer associations. The federation usually operates the ICS for the organic farmers (in the primary associations) and owns the organic certificate. The product is collected from farmers by primary associations and sold to the federation for organic exports.
2a Processor/exporter organised group with ICS (contract production)	An exporter and/or processing company contracts small farmers for organic production and buys their organic products. The trader trains the farmers, operates the ICS and owns the organic certificate. This type includes organic plantations with organic "out-growers" under their certificate.
2b Processor/exporter organised certification with ICS (contract production)	Processor/exporter buys organic products from farmers' associations under the company's organic certificate. The farmer organisation can have a varying degree of commercial autonomy and responsibility in the production process and may or may not have a legal personality. The ICS and organic certification for all organic farms are usually paid for and owned by the trader. Product purchases from farmers are sometimes via the farmer associations, with ICS monitoring of organic integrity by the company. *Note: many contract production projects are a mix of types 2a and 2b*
3a Farmer Association 100% control	Association of (often medium-sized/more complex) farms, certified in one certificate without ICS but 100% external control of farms each year by the organic control body.
3b Processor/exporter organised group 100% control	Processor/ exporter contracts (often medium size / more complex) farms for organic production. Farms are certified organic without ICS under one certificate for the trader, with 100% external control of farms each year by the organic control body.

Annex 1.6.2 Number of producer groups and need to adapt

Estimation of the total number of organic farmer organisations with ICS

The total number of organic farmer organisations which currently supply the EU organic market under the third country control body equivalence import option and hence need to adapt to compliance with the new EU organic rules was estimated based on the global number of Fairtrade organic small-scale producer organisations:

- There are 835 Fairtrade-organic small-scale producer organisations (SPOs), thereof 60 SPOs in India (*recognised as equivalent country for plant production*) = 775 SPOs, which need to adapt to compliance with the new EU Regulation.
- + roughly 25% additional organic (non-Fairtrade) small farmer organisations across all regions
- ≈ 990 organic small producer organisations (Latin America 710; Africa 185, Asia 100 *without India*) supplying to the EU

Estimated need for adaptation of organic producer organisations with ICS

- Globally, about 50 % of Fairtrade -organic SPOs currently do not meet the GoO definition (not counting Fairtrade organic contract production). The regional percentage of Fairtrade SPOs needing to adapt was tested as an alternative but resulted in higher percentages and was not used for a conservative estimate.
- The global 50% need-to-adapt factor was used to calculate the total and regional number of organic farmer organisations that need adaptation. This resulted in a global estimate of around 450 groups needing to adapt structurally.

Estimation of the total number of processor/exporter-organised groups with ICS

The number of Fairtrade organic contract production groups does not represent a good estimate for the global scale of groups organised by a processor/trader (Type 2a or b). Contract production is very common for organic certification of fresh and dried fruit (beyond banana) and processing intense sectors such as e.g. rice, cashew and other nuts, coconut products, and oil seeds. This type of group certification is particularly common in Africa and Asia.

The global scale of organic contract production groups is unknown. For estimated contributions to EU imports, the following rough estimates were used

- Latin America, trader-organised groups contribute about 20 to 25% of all groups (≈170 to 220),
- Africa and Asia (*without India*) 40 to 50% of all groups (i.e. 105 to 140 in Africa and 55 to 75 in Asia).
- This would mean that roughly 330 to 430 contract production groups with ICS supply the European organic market under the third country control body equivalence option for imports.

Need for adaptation: 100% of contract production groups need to adapt structurally to become certified as Group of Operators, i.e. around 330 to 430 groups.

Estimating the number of groups in Mediterranean third countries, mostly under 100% Control System or else processor/trader organised (all need to change)

Estimated total number of groups in Mediterranean countries and need to adapt: A total of 475 to 600 groups in Mediterranean countries are under the 100% external control system (Type 3b mostly, some Type 3a) and/or organised by traders. All these groups need to adapt to the new GoO rules or change to individual certification.

This total estimate is based on the following country-wise analysis and estimation

Turkey: See Annex 3.2.4 for an analysis of organic producers and group certification for Turkey. In total, about 30,000 organic producers seem to be certified for the European market; thereof, about 25,000 farmers in groups (85%). About 4,300 (larger) producers appear to be certified as individual operators. Based on local expert estimates of group size, this means that there are 400 to 500 producer groups in Turkey.

Morocco: the case study estimated 15-20 certified groups so far, more in the pipeline.

Estimation for Serbia, Bosnia and other West Balkan countries, a FiBL survey for a different project indicated that there are around 60-80 producer groups currently certified.

Tunisia: not counted as an EU organic equivalent country.

Total number of producer groups and need to adapt

Based on these assumptions, around 1800 to 2000 organic producer groups currently supply the European organic market and need to adapt to the new Group of Operator rules for compliance with the EU Regulation 2018/848. Details can be seen in Table 7.

Table 7: Estimated total number of organic producer groups and need for adaptation to the new Group of Operator rules

Estimated total number of groups (changing to EU compliance)	Lower estimate	Higher estimate	% need to adapt
Organic farmer organisations with ICS (LA, Africa, Asia)	995	995	*50%*
Processor/exporter-organised groups with ICS (Latin America, Africa, Asia)	330	435	*100%*
Mediterranean groups under 100% external control without ICS or trader-organised	475	600	*100%*

Estimated total number of groups (changing to EU compliance)	Lower estimate	Higher estimate	% need to adapt
Total number of producer groups (estimate)	**1800**	**2030**	
Total number of producer groups needing to adapt (estimate)	**1300**	**1535**	
Total % needing to adapt	**72%**	**76%**	

Annex 1.7 Other case studies and sources of information

FiBL study on the implications of the new EU Organic Regulation for the organic sector in Ecuador

From August 2023 to March 2024, FiBL implemented a consultancy to provide training and technical support on the new EU Organic Regulation and key implications for the organic sector in Ecuador jointly with Agrocalidad, the national organic control authority. The study was supported and financed by Rikolto/CREA, ITC/Next and FAO/ Paisajes Andinos, all co-financed by the EU.

The consultancy included an interactive webinar training on the new requirements with more than 400 inscribed participants, 20 stakeholder interviews and various meetings with Agrocalidad. A survey to understand the implications was sent out by Agrocalidad to all 83 organic producer groups in the country with a good response. A concluding stakeholder workshop helped to analyse implications, key challenges and ways forward.

The final report was published in April 2024. A summary and link to the full report (in Spanish) can be found at https://www.fibl.org/en/info-centre/news/impact-of-new-eu-organic-regulation-ecuador.

Training or advisory activities which provided additional insights

Selected other FiBL ongoing training and backstopping activities with regard to the new EU Regulation in smallholder value chains provided additional insights for the study. The projects' more intense exchange and insights into specific countries and/or crop supply chains were important to understand better the heterogeneity of effects and specific challenges depending on supply chain set-up, commodities and countries.

- IFOAM guidance on the new EU Regulation for producer groups with the final webinar in July 2023 with about 700 registered participants.
- GIZ / Alliance for product quality: Training and technical support to the Sidama Coffee Union in Ethiopia with its around 80'000 certified organic farmers to align

to the new regulation; ICS training sessions and Training handbook on the new EU Regulation for producer groups (2022-2023).

- ITC/ARISE Thailand handbook and technical backstopping to support the organic sector in Thailand to align with the new EU Regulation (2022-2023).
- COLEAD webinars on the new EU Regulation for West Africa (> 100 participants) and in the Dominican Republic (> 200 participants) in November and December 2022. AGRINFO webinar series for Sri Lanka (September & October 2024).
- 3 cycles of the COLEAD E-learning courses for selected African horticulture companies (in total, about 75) to adapt the ICS and the group's legal form to the new EU Regulation from January 2023 and October 2024 (3-week training course). Post-training technical support for local consultants assisting the companies since April 2024.
- Training for Fairtrade producer networks in the new organic rules and adaptation options for Fairtrade organic small producer organisations (220 participants) in May 2024. Webinar with National Fairtrade Organisations in Europe to present changes and discuss potential implications for producers and the European market.
- Interviews of producer groups and a wide range of local stakeholders and international organic control bodies and stakeholder workshop in the Dominican Republic under the COLEAD AGRINFO project of Study of the Impacts of the new EU Regulation in the Dominican Republic (May to September 2024).
- Technical support to align to new EU rules for a larger Cocoa union in Ecuador on behalf of a Swiss importer (2024).
- ICS training courses for selected producer groups in Ivory Coast and Cameroon on behalf of a Swiss buyer (2023 and 2024).

ANNEX 2: Additional information on Group of Operator requirements and selected other rules

Annex 2.1 Additional information on the new Group of Operator requirements and adaptation options

Annex 2.1.1 European Commission Q&A on Groups of Operators

The European Commission compiles questions and answers regarding the provisions of Regulation (EU) No 2018/848 and its secondary legislation. Since June 2023, the FAQ on Organic Production document includes in Section 3 Certification system six important questions and answers (N° 8 – 13) on the topic of Groups of Operators.

FAQ (8): Can a group of operators certified as organic (Regulation (EU) No 2018/848) consist of members who are not organic farmers or organic operators that produce algae or aquaculture animals?

No. Group of operators can only be composed of members who are farmers or operators that produce algae or aquaculture animals and who in addition may be engaged in processing, preparation or placing on the market of food and feed. **Moreover, farmers or operators that do not comply with Regulation (EU) No 2018/848 cannot be members of a group of operators certified as organic.**

First, Article 36(1), point (a), defines the type of operators that can be members of a group of operators and the activities that members of a group of operators can perform: "Each group of operators shall: (a) only be composed of members who are farmers or operators that produce algae or aquaculture animals and who in addition may be engaged in processing, preparation or placing on the market of food or feed;".

Second, the following provisions of Regulation (EU) No 2018/848 are also relevant:

- Article 3, point (13), which provides the following definition of "operator": "Operator means the natural or legal person responsible for ensuring that this Regulation is complied with every stage of production, preparation and distribution that are under that person's control"; and
- Article 36(1), point (g), which provides as follows: "Each group of operators shall […] establish a system for internal controls comprising a documented set of control activities and procedures in accordance with which an identified person or body is responsible for verifying compliance with this Regulation of each member of the group."

FAQ (9): In an example of a cooperative that has more than 2000 members, can this cooperative have Groups of Operators as sub-units of the cooperative, which are certified as Groups of Operators but which remain under the cooperative or share the same legal personality as it?

No. On the one hand, in the context of this example, the sub-units mentioned are Groups of Operators for the purpose of organic certification in accordance with Article 36(1), point (d) of Regulation (EU) No 2018/848, which provides as follows: "Each group of operators shall (…) have legal personality". Therefore, the mentioned sub-units cannot share the legal personality with other sub-units and/or cooperatives.

On the other hand, Regulation (EU) No 2018/848 does not prevent a group of operators from participating in the membership of other types of farmers associations or arrangements such as a cooperative, subject to the respect of all applicable provisions. Finally, as set out in Article 4 of Regulation (EU) No 2021/279, the size of a group of operators cannot exceed 2000 members.

FAQ N° 10: When members of a certified group of operators no longer comply with the requirements set out in Article 36(1)(a) and (b) of Regulation (EU) No 2018/848 can they remain a member of the group of operators?

No. Article 36(1) of Regulation 2018/848 provides that each group of operators "shall only be composed of members" fulfilling, among other requirements, the conditions set out in points (a) and (b).

Consequently, an operator who does not fulfil the requirements of Article 36(1), points (a) and/or (b) of Regulation 2018/848 cannot be a member of the group of operators if that group is intended to be controlled and certified as a group of operators within the meaning of Article 36 of Regulation (EU) No 2018/848.

FAQ (11): Can the group of operators perform preparation activities on the products that it receives from its members?

Yes. **A group of operators** certified as organic in the EU, or a group of operators certified as organic in the third countries that has been subject to the controls referred to in Article 45(1)(b)(i) of Regulation (EU) No 2018/848 **can perform any activity, including "preparation", under the group's certification**.

Those activities are:

(i) the "production, preparation, distribution/placing on the market, storing, import and export" in the EU (Annex VI of Regulation (EU) No 2018/848) and

(ii) "production, preparation, distribution, storing, import and export" in third countries (Annex I of Regulation (EU) No 2021/1378).

FAQ N° 12: What are the requirements for an operator to become a member of a group of operators?

In order to become a member of a group of operators, an operator must comply with the requirements of Article 36 of Regulation (EU) No 2018/848.

First, Article 36(1), point (a), defines the **type of operators that can be members** of a group of operators and the activities that members of a group of operators can perform: "Each group of operators shall: (a) only be composed of members who are **farmers or operators that produce algae or aquaculture animals and who in addition may be engaged in processing, preparation or placing on the market of food or feed**".

Second, Article 36(1), point (b), requires the members of a group of operators to **meet one of three alternative criteria in terms of turnover or holding size in order to be eligible** to be part of group of operators:

- "only be composed of members (…) of which the individual certification cost represents more than 2 % of each member's turnover or standard output of organic production and whose annual turnover of organic production is not more than EUR 25 000";
- "only be composed of members (…) whose standard output of organic production is not more than EUR 15 000 per year"; or
- "only be composed of members (…) who have each holdings of maximum:
    - — five hectares,
    - — 0.5 hectares, in the case of greenhouses, or
    - — 15 hectares, exclusively in the case of permanent grassland".

Third, Article 36(1), point (e), requires that a "group of operators shall only be composed of members whose production activities or possible additional activities referred to in point (a) take place in geographical proximity to each other in the same Member State or in the same third country".

FAQ (13): What does it mean that a group of operators "shall have legal personality" as required in Article 36(1)(d) of Regulation (EU) No 2018/848?

While Regulation (EU) No 2018/848 does not define the term "legal personality", that notion refers to those entities that are recognised by national law as having a distinct identity, as well as legal rights and duties, and are thus able to do things in law that a natural person can do (e.g. own property, enter into contracts etc) according to the laws of that country.

Annex 2.1.2 Maximum farm size and organic turnover

Article 36.(1) (b) defines a new, absolute maximum size/organic turnover limit for organic farms to be members and certified in a Group of Operators.

For application in the vast majority of third countries where the costs of individual certification always exceed 500 EUR per year, the member requirements of Art 36.1 (b) can be simplified[3] greatly to the following rule:

- EITHER the farmer has a total farm holding (all production units operated by the farmer to produce agricultural products, including non-organic fields or fallow land) of maximum 5 hectares
- OR the farmer has an organic turnover (=organic sales to the groups) of maximum € 25,000 per year.

As confirmed in the third country survey, as well as in interviews and training, the majority of farmers in groups have holdings of less than 5 hectares. However, farms of up to 10 ha and even beyond are also common in certain crops and production systems and still be considered "small-scale" in the local context. For all these farms with more than 5 hectares, the organic turnover will be the decisive factor for membership in a Group of Operators.

The analysis of organic turnover across various crops, conducted as part of the Ecuador case study and supplemented by survey data, shows that for almost all typical smallholder crops (coffee, cocoa, cashew, spices, coconut, sugar, rice, etc.), the average organic turnover of small or medium-scale farms within groups was clearly below the turnover limit of € 25,000 based on 2023 data. For example, a cocoa farmer in Ecuador with a holding of 15 hectares, thereof 8 hectares of organic cacao, had an organic turnover of just € 11,500.

The findings with regard to farm size (third country groups and operator survey) and organic turnover are summarised in Figure 5.

[3] Article 36.1 b (The Group of Operators shall…) only be composed of members (i) of which the individual certification cost represents more than 2 % of each member's turnover or standard output of organic production **and** whose annual turnover of organic production is not more than € 25,000 **or** the standard output of organic production is not more than € 15,000 per year.
→ if individual certification cost is more than € 500 (=2% of 25,000), the maximum organic turnover of € 25,000 becomes the only relevant turnover restriction. The standard output of organic production is an EU statistical value not relevant in third countries.

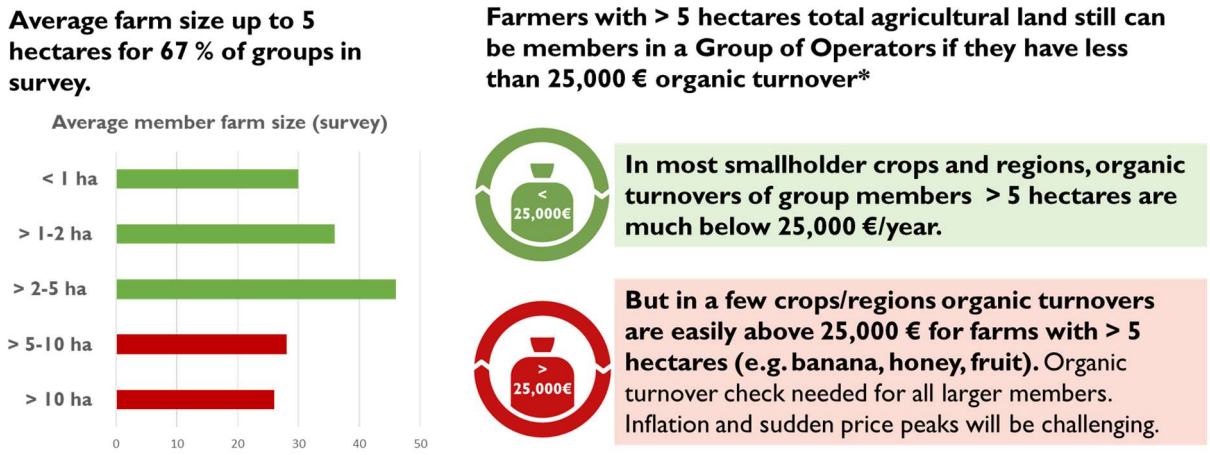

Figure 5: Findings with regard to the new farm size and organic turnover limit

Source: own compilation

In the Ecuador analysis, the following areas corresponded to € 25,000 organic turnover in Ecuador in December 2023: 2.3 ha of banana, 3.4 ha of passion fruit, 5 to 6.3 hectares of coffee, 32 hectares of palm oil, and 8.4 hectares of plantain (Meinshausen, Vergara and Santillan, 2024).

Apart from banana and fresh fruit in Latin America, also organic honey from South America appeared to be at higher risk of exceeding the organic turnover limit.

With changing market prices, the organic farm turnover can change considerably. E.g., data collected in the Dominican Republic in August 2024 indicates that due to the exceptionally high cacao world market price, a farmer with more than 7 to 9 hectares of cacao could potentially exceed the limit of € 25,000 if all cocoa were sold to the group as organic.

Organic turnover depends significantly on farm productivity, which can vary greatly even within a single country and between different farmers and groups. For example, in cane sugar production in Paraguay, data provided by IMOcert Latin America in June 2024 indicated that with a typical yield of 50 t per hectare per year and a farmgate price of € 22 per ton, a farm with under 20 hectares of sugar cane would have a turnover below € 25,000. In a group with an average yield of 75 t per hectare per year, 15 hectares of sugar cane would correspond to a turnover of € 25,000. Productivity and organic turnover also vary considerably worldwide. While horticultural production in Latin America carries a risk of exceeding the organic turnover limit, training sessions with horticultural companies in Africa found that even the largest organic farms remained within this limit.

As a preliminary check against the new criteria, the yield estimates in the ICS organic farmers' list can be multiplied by the current farmgate price to estimate "potential maximum sales". Yield estimates times farmers' prices are a good rough indication of

maximum sales, as farmers' sales into the joint marketing system must be cross-checked against yield, e.g. at the purchase centre, see Regulation 2018/848 Article 36.1 (g) (viii). If farmers are identified by the ICS as potentially coming close to the organic turnover limit or exceeding it, it is important to verify the members' actual organic sales to the group. The farmer may have lower yields and/or sell part of the production outside the group's joint marketing system.

Annex 2.1.3 Adaptation to Group of Operator rules for farmers' organisations

Note: All producer groups are advised to carefully review their adaptation options and discuss them with their control body. The following examples are provided to illustrate different potential adaptation options to align with the requirements for a Group of Operators as defined in Article 36.1 of Regulation (2018/848) for information purposes only.

Example 1 – Fairtrade Organic cooperative with organic and non-organic members

Example: Fairtrade Organic Small Producer Organisation "Cooperative AAA" (group type 1a) with organic and non-organic producers as members. The organisation has less than 2,000 members, and all organic farmers have more than 5 hectares of agricultural land.

The new Organic Regulation (EU) 2018/848 does not allow a Group of Operators to have also non-organic statutory members. The most viable solution seems to be that the currently certified Cooperative AAA keeps its current composition & membership unchanged. The cooperative would form a new additional legal personality (or several) "GoO-Entity of AAA" composed of its small-organic/conversion members to be certified as a Group of Operators entity under compliance. For future organic compliance certification, Cooperative AAA would only be certified as an "operator" for processing and export (NOT as a group of operators). The cooperative would still be the Fairtrade-certified Small Producer Organisation for all its members.

The new GoO-Entity would market its organic products collectively through the Cooperative AAA and only exist for certification purposes. Its constitution could legally connect it to Cooperative AAA (neither required nor restricted by the Organic Regulation). Organic farmers would be members of both the Cooperative AAA and the new GoO-Entity.

The new GoO-Entity is responsible to meet all requirements for an organic Group of Operators but could subcontract its joint marketing system & the traceability system to cooperative AAA. It could also appoint the ICS staff of the cooperative AAA as its ICS manager & ICS inspectors, but it would need to present an ICS manual in its own name. See technical requirements for subcontracting in section 2.1.4 of this Annex.

As an "organic operator", cooperative AAA could still buy products from its non-organic members. It could potentially also maintain all other group certifications for all

its members. The cooperative and the new GoO entity(s) would have a contract on rights & duties, such as sales of products, costs of certification, etc.

Example 2 - Adaptation of organic farmer organisation with some "too big" members

Example 2 is a first-grade banana small producer organisation ("Banana association") with only organic farmers as members. However, some members operate more than 5 hectares of land AND have an organic turnover of more than € 25,000.

One adaptation solution could be if ALL "too big" members divide their farm operations so that each organic member operates less than 5 hectares of land (in which case the organic turnover is irrelevant). For EU certification purposes, the relevant factor is the operation of the farm and responsibility for organic production, not land ownership. Thus, part of the farm could be rented out based on a rental agreement that defines who is responsible for production and compliance with Organic Regulations. This adaptation would result in more members in the Banana association.

If the organisation would instead exclude all "too big" organic members, this could have severe business implications (e.g. volumes missing to fill containers, higher costs per volume). If the organisation is also Fairtrade certified, the larger farms would not be under Fairtrade certification anymore.

Again, a good option seems to keep the organisation's legal composition and membership as it is now and form a new additional legal GoO-Entity composed of only the small organic farmers (all under 5 hectares and/or less than € 25,000) to be certified as a Group of Operators as already explained in more detail in example 1.

The "too large" farms would need to be individually certified for EU organic sales (sometimes producers associate to become one farm operator). The banana association" would be EU organic certified as an operator for processing and export (not as a Group of Operators). As an operator, it could sell organic products from the new GoO-Entity as well as from any EU-certified organic farms (members and non-members).

If the "too big" farms become individually certified farm operators but no new GoO-Entity is established too, this does not fully solve the problem. If the Banana association wants to be certified as a Group of Operators, it would need to exclude the "too big" members. However, Groups of Operators can only process and market products from their members, i.e. the Banana association could not buy and export organic products from the excluded former members, even if these members were individually certified.

Example 3 Secondary producer organisation with organic and non-organic farmers and /or more than 2000 members

A secondary (second-grade) producer organisation is a producer organisation whose legal members are primary (first-grade) producer organisations, e.g. a union of cooperatives. The easiest adaptation solution for a second-grade organisation (e.g. "Cooperative Union"), is to certify the organic primary producer organisations (e.g.

"primary coops") as Group of Operators in the future. This is only possible if the primary organisations are composed only of organic/in-conversion farmers as members.

The cooperative union would be EU-certified as an "operator" for the preparation, storage and export of the organic products bought from the new organic Group of Operators. The union can also provide ICS and other services to its members, the primary cooperatives (see following chapter on subcontracting).

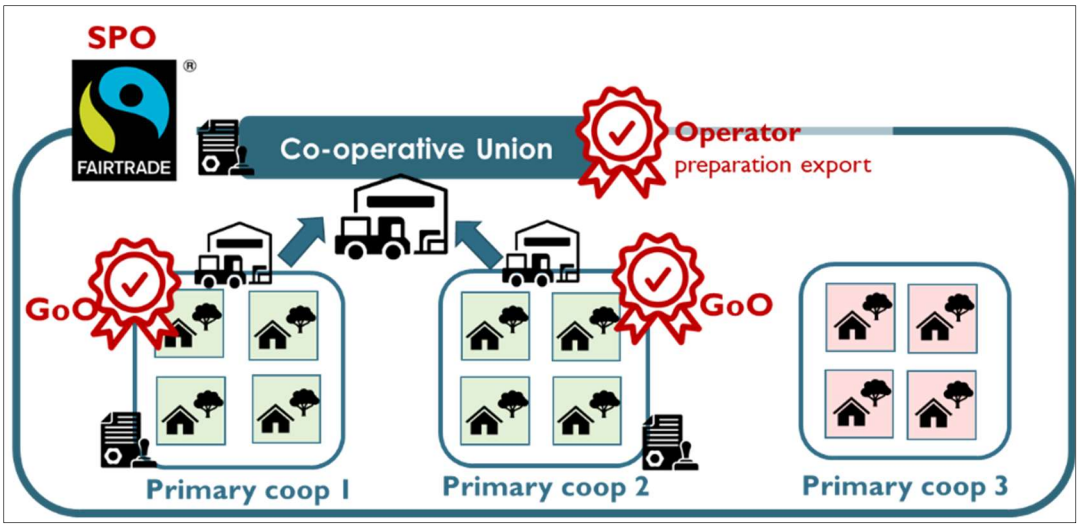

Figure 6. Example for adaptation of a second-grade producer organisation by certifying existing primary organisations as Groups of Operators

This option can be attractive as no new entities are needed, and existing structures and processes remain intact. Depending on the case, it can imply considerably higher control costs as many small future Group of Operator entities (primary organisations) need to be certified, plus the second-grade organisation as operator.

If the primary producer organisations are all organic, but some have more than 2,000 farmers, splitting into two primary organisations may be necessary.

In case the primary producer organisations are mixed with organic and non-organic (or too large) farmers as members, one (or several) new legal groups of operator entities composed of the organic primary members appear to be the best option. This is very similar to the option explained in example 1 above and illustrated in Figure 7.

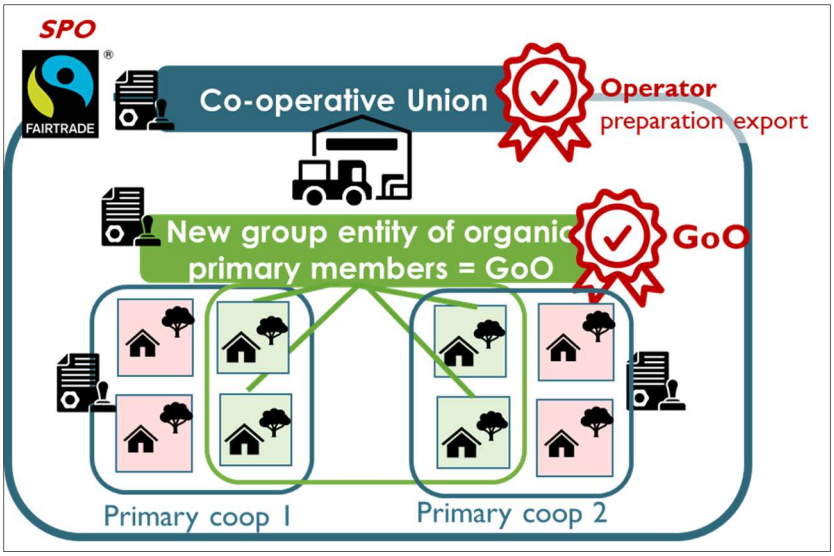

Figure 7 Adaptation example second grade producer organisation: setting up a new Group of Operators entity

In both cases described above, the currently certified "Cooperative Union" does not change its legal composition. If it is also Fairtrade-certified, the adaptation does not affect the Fairtrade certification.

Annex 2.1.4 Subcontracting options for adaptation to the new rules

Disclaimer: The following information has been compiled for training and information purposes. It is based on a careful analysis of legal requirements and clarification of the requirements for a Group of Operator joint marketing system. The content is to the best of the authors' knowledge but may not be complete.
Adaptation plans should be discussed with the organic certification body. The CB needs to assess compliance according to its policies and evaluation of the situation.

Background

In many cases, the currently certified organic small producer organisation or organic processor/trader with associated smallholders will need to establish one or several new entity/entities for EU organic certification as a Group of Operators ("GoO-Entity"). This may involve either creating a new legal entity or certifying an existing farmer organisation (which was so far included under the organisation's or company's organic certificate). The new GoO-Entity may be contractually or constitutionally linked to the currently certified group operator as optimal for the respective case.

The new GoO-Entity is responsible for meeting all regulatory requirements for a Group of Operators, including Article 36 (ICS, joint marketing system, traceability system, records, etc.). However, it could formally "subcontract" many key processes to the currently certified farmer organisation or trader «X» to ensure operational continuity,

This would allow essential operations — such as Internal Control Systems (ICS), purchasing, payments, and traceability — to continue under the established operational procedures by experienced staff of the currently certified farmer organisation or trader.

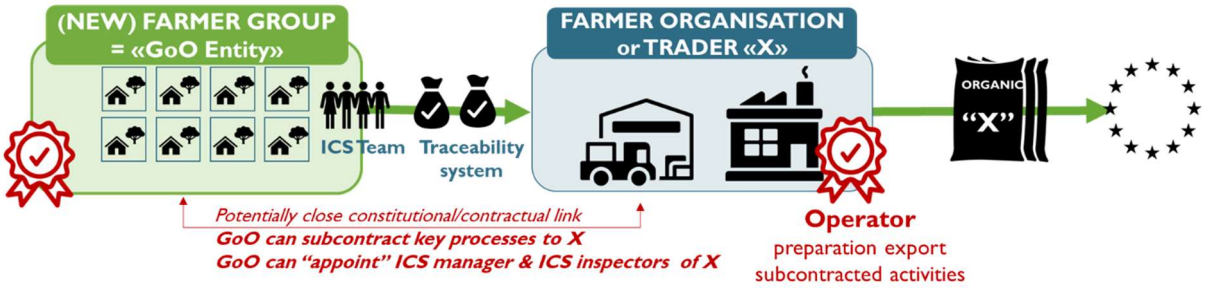

Figure 8: Adaptation option new Group of Operator entity that subcontracts key processes

Important aspects to consider for subcontracting and other agreements

While many processes could largely continue as they are, procedures and documentation must be adapted to the requirements of Regulation (EU) 2018/848, with additional agreements between the two legal entities to define clear responsibilities. This section highlights some important requirements for subcontracting activities and the ICS to address in the new organisational setup and agreements.

The requirements are illustrated for the example of a new Group of Operator entity ("GoO-Entity") established by a producer organisation (e.g. "Cooperative X") or a currently certified processor/trader with contracted farmers (e.g. "Trader X").

Note: The future split of responsibilities between the future GoO-Entity and currently certified "Cooperative/Trader X" will vary for each group. The example describes a situation where as many activities as possible shall be subcontracted (back) to the certified "cooperative/trader X".

The new GoO-Entity

- **shall have a legal personality** of its own according to national law (recognised as having rights & duties). It could be constitutionally/contractually linked to Cooperative/Trader X.
- **shall be composed only** of eligible organic/in-conversion farmers and have a maximum of 2000 members. In the case of a new "GoO-Entity of cooperative X", the organic farmers are (still) members of cooperative X and (new) also members of the "GoO-Entity of cooperative X".
- **Could "appoint" the Internal Control System (ICS) manager and ICS inspectors** of Cooperative/Trader X ("Appointment" =compulsory ICS record, see 2021/279 Article 5). The GoO-Entity remains responsible for compliance and the functioning of the ICS. The ICS is controlled by the CB as part of the GoO-Entity audit.

- **Could subcontract the joint marketing and traceability system** by constitution and/or contractual agreement to Cooperative/Trader X, by transferring the responsibility to meet chapter II, III and IV, & Article 36 of 2028/848 to the subcontractor in line with 2021/1698 Article 10.2. This could include payments to farmers. The need for a commercial invoice to document joint sales from the "GoO entity" to "cooperative/trader X" should be clarified with the CB. The subcontracted activity is controlled as part of Cooperative/Trader X's operator audit.
- The GoO-Entity's ICS procedures must include procedures on internal traceability in line with Article 36.1 (g)(viii), but implementation of the internal traceability procedures may be subcontracted to Cooperative/Trader X.
- Agreements on sub-contracting and ICS appointment need to be signed by the "GoO-Entity's" ICS manager, as this is required in Article36.1 (h)(xii))
  Note: this may be in addition to signatures required by the GoO-Entity's constitution or national law for such agreements to be valid.
- The Membership Agreement between the GoO-Entity and its members includes the following aspects (in addition to details required in Article 36.1.(h) (ii)):
  - The member confirms that he/she has not been certified on an individual basis for the same activity for a given product covered by the certification of the Group of Operators to which they belong" (2021/1698, Article 10.1(c)).
  - The member acknowledges that only sales through the group's joint marketing system, subcontracted to "Cooperative/Trader X" (if applicable), are organic. Other sales must be reported to the Internal Control System (ICS).

Cooperative X or Trader X (currently certified producer group operator)

- **is controlled and certified as an "Operator"** for preparation, storage export activities, plus for all subcontracted activities (e.g. joint marketing system and traceability system including rules of Article 36).
- **Could provide ICS service to the "GoO-Entity" via appointment** (e.g. employ the ICS manager and ICS inspectors who are "appointed" by the GoO Entity). Appointment or other agreements should specify that GoO-Entity is obliged to communicate any changes in group membership to the ICS manager (employed by Cooperative/Trader X) as the ICS manager must check and approve new members. How/whether the ICS services are charged is outside the scope of the Organic Regulation.
- **A commercial, constitutional or partnership agreement** between the "GoO Entity" & "Cooperative X" outlines the rights and obligations of both parties, e.g. on the cost for the services provided (outside the scope of Regulation (EU) 2018/848).
- **The subcontracting agreement** for the joint marketing and traceability system (as applicable) specifies that

- the appointed ICS staff and CB of the GoO-Entity has the right to access the "GoO-Entity's" traceability records kept by the Cooperative/trader X at any time. Full control of records is done during Cooperative/Trader X audit as subcontracted operator.
- Cooperative/Trader X provides the GoO-Entity with a summary of the joint marketing system at least annually (list of all members' deliveries with accumulated organic volumes & sales value).

Note: in the case of "Cooperative X", the group would not change its legal form and membership composition (e.g. including non-organic or "too large" organic members).

Risk mitigation/additional conditions by control bodies

For risk and operational reasons, control bodies may require that this type of closely linked set-up between a "GoO-Entity" and the Cooperative/Trader X is certified by the same CB. F*ormally, the two entities are separate legal entities and may be certified by another CB*.

For clarity, the CB could indicate in the comment section of the new third country certificate of the GoO-Entity that its joint marketing system is operated by "Cooperative/Trader X".

Subcontracting of processing/preparation/storage activities

The rules of subcontracting in third countries under the new Organic Regulation are described in particular in Article 10(2) of Regulation (EU) 2021/1698:

Regulation (EU) 2021/1698, Article 10 (2)

Before certifying operators or groups of operators, the control authority or control body shall verify: (…)

(b) that, where the operators or groups of operators subcontract any of its activities to third parties,

both the operators or groups of operators and the third parties to whom those activities have been subcontracted have been certified by recognised control bodies confirming that they comply with Chapters II, III and IV of Regulation (EU) 2018/848 and Article 36 (…),

unless the operators or groups of operators inform the relevant control authority or control body that they remain responsible as regards organic production and that they have not transferred that responsibility to the subcontractor.
In such cases, the (...) control body shall verify that the subcontracted activities comply with Chapters II, III and IV of Regulation (EU) 2018/848 and Article 36 of that Regulation in the context of the control activities it carries out in respect of the operators or groups of operators that have subcontracted their activities.

The third country Operator/Group of Operator certificate as defined in Regulation (EU) 2021/1378, ANNEX 1, contains in Part 2, sections 4, 5 and 6 on subcontracting:

Regulation (EU) 2021/1378, ANNEX I, Part 2

(4) Information on activities carried out by the operator or group of operators and whether the activity is performed for their own purpose or as subcontractor (…) for another operator, while the subcontract remains responsible (…)

(5) Information on activities carried out by the subcontracted party (and who is responsible)

(6) List of Subcontractors carrying out an activity for the operator or group of operators for which the operator or group of operators remains responsible as regards organic production

Annex 2.2 Additional information on some other new rules

Annex 2.2.1 Retroactive recognition of part of the conversion period

The conversion rules are defined in Regulation (EU) 2018/848, Art 10 with additional rules on "documents needed for the retroactive recognition of periods for the purpose of conversion" outlined in Regulation (EU) 2020/464, Article 1 for EU operators.

For third country producers, the conversion period starts at the earliest when the farmer has notified the organic activity to the control body. New rules apply if a previous period shall be retroactively recognised as part of the conversion period. The procedures for "checks to be carried out for the purpose of the retroactive recognition of a previous period" in Third countries are outlined in Art 24 of Regulation (EU) 2021/1698.

Annex 2.2.2 Farm holding and production units

Agricultural holding and organic, in-conversion and non-organic production units

The EU uses the term "holding", which means all "production units operated by the organic farmer for the purpose of producing agricultural products". The term "holding" is also used with regard to the maximum size of a member in a group of operators in Article 36.1.b ("holding is less than 5 hectares").

> Regulation 2018/848 Article 3 Definitions
>
> '*holding*' *means all the production units operated under single management for the purpose of producing live or unprocessed agricultural products (…). In French version: "exploitation", in Spanish "exploitación"*
>
> *'production unit' means all assets of a holding, such as primary production premises, land parcels, pasturages, open air areas, livestock buildings or parts thereof, hives, fish ponds, containment systems and sites for algae or aquaculture animals, rearing units, shore or seabed concessions, and premises for the storage of crops, of crop products, of algae products, of animal products, of raw materials and of any other relevant inputs managed as [… organic, in-conversion or non-organic production unit]*

The basic rules that an operator's farm "holding" should be entirely managed in accordance with organic rules but alternatively can be split into an organic and a non-

organic production unit have not changed. But the new EU Regulation additionally defines an in- conversion production unit, which previously was part of the organic unit.

> Regulation 2018/848 Article 9 (for crop production)
>
> (*2) The entire holding shall be managed in compliance with the requirements of this Regulation that apply to organic production.*
>
> *(7) Notwithstanding paragraph 2, a holding may be split into clearly and effectively separated production units for organic, in-conversion and non-organic production, provided that for the non-organic production units (b) as regards plants, different varieties that can be easily differentiated are involved.*

For Group of Operators the new ICS record requirements (Article 5 of Regulation 2021/279) specify also that the ICS needs to register the entire holding operated by the member with all its production units and indicate all production details in the member list, not just the land where the certified organic crop (e.g. cocoa) is grown.

In training courses carried out by FiBL in Africa on the new regulation, as well as during the Ecuador study, it became evident that in many countries, the term "holding" or farm holding is defined or understood differently in many countries than the term is defined in the EU and used in the Regulation. This could lead to misinterpretation and confusion.

For example, in Ecuador, many farmers operate several «exploitations» (farms). Organic control bodies and organic data registers often consider the organic farm (including conversion plots and, if relevant, non-organic plots of the same «farm»). But another "farm" operated by the same farmer e.g. located several kilometres away from the organic farm with different crops, would not be registered. Also, fallow (or "bush") land is not commonly or consistently registered and often only registered and included in the organic unit once the farmers start to cultivate that land, often by "retroactive recognition of the conversion" (see Meinshausen, Vergara and Santillan, 2024)

This seems to be the case in most third countries, but practices vary between countries and control bodies. In many cases mentioned in interviews and training, the CBs seem to be aware of «other fields» and consider them in their risk approach, but the areas will not show in organic certification records as production units.

In the future, control bodies (and national control authorities where relevant) will need to register all agricultural land operated (not necessarily owned) by organic farm operators and members in a Group of Operators. The application of the European definition of "farm holding" is complicated by the fact that in most countries, there is no governmental designation of land being dedicated to "agricultural production". Also, the difference between production of home consumption crops and agricultural production is not clear for many smallholder farmers in third countries.

Additionally, the EU's term of a 'production unit' (see 2018/848, Article 3 Definition, includes more than just the agricultural fields, e.g. the areas for storage of input for the respective production unit and the storage of products in case of plant production. This is very important for the adequate separation of production units.

Production of the same crop in the organic and non-organic unit

As in previous versions, the EU regulation does not permit the cultivation of the same crop (a variety that cannot be easily differentiated) in the organic and non-organic unit of a holding. As an exception and as part of a farm conversion plan, "parallel production" can be permitted for perennial crops, provided strict conditions are met.

With Regulation 2018/848, conditions have become stricter, requiring that the last part of the farm is converted within 5 years, i.e. the last plot must start the conversion at the latest after 2 years. All conditions as described in Article 9 (8) apply.

Regulation (EU) 2018/848 Article 9 (8)

By way of derogation from point (b) of paragraph 7, in the case of perennial crops which require a cultivation period of at least three years, different varieties that cannot be easily differentiated, or the same varieties, may be involved, provided that the production in question is within the context of a conversion plan, and provided that the conversion of the last part of the area related to the production in question to organic production begins as soon as possible and is completed within a maximum of five years.

In such cases:

(a) the farmer shall notify the competent authority, or, where appropriate, the control authority or the control body, of the start of harvest of each of the products concerned at least 48 hours in advance;

(b) upon completion of the harvest, the farmer shall inform the competent authority, or, where appropriate, the control authority or the control body, of the exact quantities harvested from the units concerned and of the measures taken to separate the products;

(c) the conversion plan and the measures to be taken to ensure the effective and clear separation shall be confirmed each year by the competent authority, or, where appropriate, by the control authority or the control body, after the start of the conversion plan.

Annex 2.2.3 Plant protection substances

As described in the report in chapter 3.4, the transition to the 'compliance' regime in third countries and some new rules introduced with the new Regulation have consequences for the use of plant protection products. Only products and substances explicitly authorised in Regulation 2021/1165 may be used in organic production. Also, plant protection products may only be used if the active substance is approved in the EU if the product is registered in the member state where it is used and if the conditions of registration are followed. This chapter provides additional details.

Many substances (e.g. specific microbial strains) used in plant protection in third countries have not been authorised as active substances in the EU (pursuant to Regulation (EC) 1107/2009). Other micro-organisms might be authorised in the EU, but their conditions for use in third countries may not comply with the mentioned conditions set for the EU.

For any plant protection substances that are not authorised under Annex I (for any of the above reasons), the Regulation provides in Article 10 a procedure "*to grant specific authorisation for the use of products and substances in certain areas of third countries*". Any substances authorised for use in third countries only, will be listed in Annex VI of the Regulation, which is currently empty. Three substances have already undergone the evaluation process by the European Commission Expert Group for Technical Advice on Organic Production (EGTOP) and are in the pipeline to be added as first products into Annex VI: *Ethylene* for floral induction in pineapple production, *Cryptophlebia leucotreta granulovirus* (CrleGV) as a microbiological insecticide and the extracts of *Swinglea glutinosa*.

The EGTOP Final Report on plant protection (IX [4] analyses the expected problem for many plant extracts and microorganisms used in third countries and proposes amendments to the introduction to Annex I and a new introduction to Annex VI , which would allow the use of all GMO-free microorganisms authorised by a third country. The group suspects that a wide range of plant extracts not authorised in the EU are in use outside the EU, particularly in traditional agricultural production systems and will need to be added to Annex VI. The proposal still recommends a detailed application dossier to be submitted for each plant extract, with all information available complemented with a history of safe use. As the report notes, Annex VI inclusion is only necessary for plant extracts that are classified as pesticides. Plant extracts used for fertilisation or as biostimulants ('plant strengtheners') are generally allowed in Annex II ('products and by-products of plant origin'). (EGTOP Report on Plant Protection IX, 2024).

Amendments of Regulation (EU) 2021/1165 are in progress. As of September 2024, it is not yet clear to what extent and how the mentioned recommendations of the EGTOP committee will be considered. If the recommendations of EGTOP were followed, the use of ethylene in pineapple production and the use of all microorganisms would be possible in third countries. However, plant extracts not explicitly mentioned in Annex I or Annex VI will no longer be allowed in plant protection products. For future use, dossiers will need to be prepared and submitted for listing in Annex VI.

More information on the topic and process to apply for authorisation of additional local substances for use in third countries can be found in COLEAD's Article in *The Organic Standard,* Issue April 2024 (Lehmann, 2024). The article highlights that "given the extended duration between submission and amendment of the regulation (over one year) to include a substance into Annex VI of Regulation (EU) 2021/1165, all interested parties need to coordinate and streamline the dossier submission process for Annex VI listing. This avoids duplication and alleviates bottlenecks during both submission (involving control authorities and control bodies) and evaluation stages (by EGTOP and the European Commission). COLEAD is now working collaboratively to secure further Annex VI listings. International Biocontrol Manufacturers Association (IBMA) members have already initiated the submission of requests for a number of other products and

[4] https://agriculture.ec.europa.eu/farming/organic-farming/co-operation-and-expert-advice/egtop-reports_en

substances. The strategy is to ensure that control options are available for priority pests and diseases (e.g. quarantine pests, pests/diseases of significant economic importance) in the first instance, thereby minimising as far as possible the disruption of trade in organic products to the EU from January 2025 onwards.

For producers in third countries, the FiBL European input list could be a first resource for the preliminary verification if a product they want to use meets the new requirements. If a product is listed in the European input list (https://www.inputs.eu/input-search.html), the active substance has been checked to comply with the EU Regulation 2021/1165. If the entry for the respective products indicates a country code (column 4 of search results), it has been checked to comply with the national requirements for organic production of the respective EU country and may be legally placed on the market in that country. This implies that the product has been authorised pursuant to Regulation (EC) No 1107/2009. However, the European Input List cannot give a complete overview of compliant products worldwide.

Annex 2.2.3 Documented precautionary measures

Documented precautionary measures

Regulation 2018/848 Article 9 (6), Article 3 (definitions) Preventive and precautionary measures

Art 9.6. Preventive and precautionary measures shall be taken, where appropriate, at every stage of production, preparation and distribution.

'Precautionary measures' means measures that are to be taken by operators at every stage of production, preparation, and distribution to avoid contamination with products or substances that are not authorised for use in organic production in accordance with this Regulation and to avoid the commingling of organic products with non-organic products;

Regulation 2018/848 Article 28 Precautionary measures to avoid the presence of non-authorised products and substances

Art 28 (1). In order to avoid contamination with products or substances that are not authorised in accordance with the first subparagraph of Article 9(3) for use in organic production, operators shall take the following precautionary measures at every stage of production, preparation and distribution:

(a) put in place and maintain measures that are proportionate and appropriate to identify the risks of contamination of organic production and products with non-authorised products or substances, including systematic identification of critical procedural steps;

(b) put in place and maintain measures that are proportionate and appropriate to avoid risks of contamination of organic production and products with non-authorised products or substances;

(c) regularly review and adjust such measures; and

(d) comply with other relevant requirements of this Regulation that ensure the separation of organic, in-conversion and non-organic products.

Regulation (EU) 2021/2119 Article 2 Records to be kept

Operators and groups of operators shall keep all the necessary documents, including stock and financial records, that will enable competent authorities or, where appropriate, control authorities or control bodies to carry out, in particular, the following checks:

Checks on the preventive and precautionary measures taken in accordance with Article 9(6) and Article 28 of Regulation (EU) 2018/848;

In third countries, the main focus with regard to precautionary measures tends to be on the topic of "buffer zones" between organic and non-organic fields. The prevention of contamination from non-organic members is particularly challenging for many smallholder farmers with small plots of land, non-organic neighbours and a lack of control over the correct application of good agricultural practices.

While the new requirements for risk identification and documented precautionary measures have so far not raised a lot of discussion in third countries, it is expected that control bodies will start to focus more on this topic. The documentation on the implementation of regular precautionary measures is extremely important for groups with a higher risk of contamination from neighbouring non-organic farms, as the absence of precautionary measures has a significant impact on the sanctions in case of detection of unauthorised substances or other non-conformities.

ANNEX 3: Smallholder products and countries analysis

Colour coding "key organic smallholder product tables"

Product A : > 70% from groups	Product B: 70-40% from groups	Product C: 40-10% from groups
Estimated > 70% of organic production from producers under group certification	Estimated 40-70% of organic production from producers under group certification	Estimated 40-10% of organic production from producers under group certification.

Terms used in this Annex:

- "Smallholder countries": see analysis in Annex 3.2.
- "Group type": see description in chapter **Fehler! Verweisquelle konnte nicht gefunden werden.** or table in Annex 1.6.
- "Small" farms / "medium" farms: small farms (smallholders) less than 5 hectares of land. Medium farms: more than 5 hectares of land:

Context: Many groups also have members with up to 15 to 20 hectares of land, which are considered "small producers" in the local context and for whom individual organic certification would not be an option. Such members well above 5 hectares were sometimes referred to as "medium" farms in organic certification (for risk considerations). Depending on the products, productivity and prices, many "medium farms" of more than 5 hectares may still qualify for Group of Operator membership as their organic turnover may be under € 25'000.

Annex 3.1 Analysis by product

The report includes a detailed analysis of the most important smallholder products in Chapter 5: Coffee, cacao, banana, avocado, mango, pineapple, cashew and other nuts, coconut, sesame, rice, cane sugar, spices, and cotton.

Only products not described in detail in the report are listed here.

Organic Product	Analysis of the relevance of small-scale producers in organic production	EU organic imports from smallholder countries (2022)
Soybeans	In Africa, soybeans are grown by smallholder farmers certified in type 2 exporter organised groups. For EU soybean imports in 2022, 74% of the total volume is from Africa, which is probably grown by small farmers.	Togo (120'094 t) Benin (14,047 t) Burkina Faso (8'044 t) Uganda (768t) Ethiopia (660 t)

Organic Product	Analysis of the relevance of small-scale producers in organic production	EU organic imports from smallholder countries (2022)
	Organic soy cake originates from more industrialised countries (top origin: China)	
Dates	Production often in groups organised by traders, under 100% individual control (Type 3b) in Tunisia	Tunisia: (6,838 t) Pakistan: (1,115 t)
Citrus	A relatively low % of organic citrus production from selected countries is produced on small-medium size farms under group certification.	No data available
Quinoa	Organic quinoa is predominantly produced by small farmers under group certification.	Peru (5,596 t), Bolivia (5,222 t)
Shea	Shea nuts are predominantly from wild harvest and are often processed in artisanal women's groups. Shea trees are also grown on farms and certified in producer groups in some regions.	Burkina Faso, Ivory Coast, Ghana, Kenya, Morocco
Brazil nut	Brazil nuts are always from wild harvest.	Bolivia
Honey	Organic honey from many smallholder producer countries is likely predominantly from small to medium "family" beekeepers certified in (small) groups. Organic honey from Africa may originate from "wild harvest" in forests, which can no longer be certified as wild harvest under Reg. 2018/848.	Brazil (4,840 t), Mexico (2,500 t), Cuba (1,854 t), Nicaragua (493 t), Tanzania (177t), Zambia (68 t), Ethiopia (27t), Madagascar (19 t)
Shrimps	Organic shrimps are produced in larger individually certified farms but also in groups (mostly Type 2a exporter organised)	Penaeus shrimps: Ecuador (2,205 t), Madagascar (1,436 t), Viet Nam (634 t), Indonesia (556 t), Honduras (379 t)

Annex 3.2 Key smallholder country analysis per region

EU Import data source: TRACES Import data 2022 (European Commission, 2023).

Annex 3.2.1 Latin America: smallholder countries and case study Peru

Annex 3.2.1.1 Country characteristics, smallholder crops and volumes

PERU					
Organic producers and group types	≈ 108'000 farmers (*FiBL data 2022*)	Predominantly smallholder production Type 1a farmer organisations and 1b farmer federations. Type 2 processor/trader organised groups in fruits Some individually certified plantations (esp. fruits)			
Key organic products and EU imports 2022	**Coffee**	**Cocoa**	**Bananas**	**Quinoa**	**Avocados**
	48,999 t	7,701 t	76,024 t	5,596 t	13,176 t
Organic producers (*SENASA 2022*)	58,781 producers	18,556 producers	4,842 producers	7,889 producers	*Not known*
Other smallholder products (EU imports 2022)	Mangos (dried & fresh, guavas and mangosteen in same CN) 5,177 t, Lemons: 3,615 t; Lime 1,101 t, Plantains fresh 1273 t; Ginger: 16,936 t, Turmeric: 2,004 t Cane sugar: 3,754 t, Organic Shrimps 138 t, Organic brazil nuts (wild collection)				
Additional comments	Primary farmer cooperatives may not have non-organic members per national legislation. See more information below in the Peru country case study.				

MEXICO					
Organic producers and group types	≈ 55'000 producers (SENASICA 2023)	Predominantly smallholder production Type 1a farmers' organisations and 1b farmer federations. Type 2 processor/trader organised groups in fruits Some individually certified plantations (esp. fruits)			
Key organic products and EU imports 2022	**Coffee**	**Honey**	**Orange juice**	**Avocado**	**Sesame**
	8,952 t	3,500 t	16,102 t	3,531 t	38 t seeds, 849 t oil
Organic producers (*SENASICA 2023*)	34,365 producers	3,289 producers	1,156 producers	799 producers	505 producers
Other smallholder products (EU imports 2022)	Chillies, 357 producers (SENASICA), 15 t (2021) Pecan nuts (wild collection): 3,531 t Sugar cane: 1320 producers (but no export of cane sugar or rum)				

DOMINICAN REPUBLIC					
Organic producers and group types	≈ 20,000 producers (FiBL data 2022)	Mostly smallholder production Type 1a Farmers organisations and 1b farmer federations. Type 2 processor/trader organised groups in fruits Also, individually certified plantations (esp. fruits)			
Key organic products and EU imports 2022	**Cacao beans**	**Bananas**	**Avocados**	**Lemons**	**Mangos**
	23,684 t	224,470 t	1,479 t	760 t	232
Other smallholder products (EU imports 2022)	Rum: 12 t				

BRAZIL					
Organic producers and group types	≈ 24'000 producers (FiBL data 2022)	Brazil has large organic plantations (sugar, coffee, palm oil). Medium farms are often individually certified (soy). Some Type 1 farmer organisations (coffee) and some in Type 2 processor/trader organised groups (honey, sugar, soy, limes)			
Key organic products and EU imports 2022	**Cane Sugar**	**Honey**	**Coffee**	**Limes**	**Orange Juice**
	34,529 t *But high % from large plantations*	4,840 t	1,750	4,753 t	4,171 t
Other products (EU imports 2022)	Soy cake (5,121 t), but produced mostly by medium farms with individual certification organised by processors.				
The national organic CB indicated in a letter in March 2024 that many organic farmer groups are stopping organic certification due to problems in organising associations according to the requirements of the new EU Regulation. All Brazilian Organic honey production is organised by group certification with ICS, where the processing/export company owns the certification (type 2). Almost all family honey farms are expected to be above the organic turnover limit of 25,000€					

Other Latin American countries with significant organic group certification for the EU			
Country	Organic Producers	Key crops under group certification EU imports 2022	Producer group types
Honduras	≈ 15,000 producers	Coffee (37,671 t), shrimps (379t)	1a & 1b farmer organisations
Bolivia	≈ 12,500 producers	Quinoa (5,222 t), coffee (1,098 t), Brazil nut (wild collection), sesame seeds (683 t)	1a & 1b farmer organisations

Ecuador	≈ 9,400 producers (8,845 in groups) (AGROCALIDAD 2022 data)	Bananas (315,933), cocoa (2,312 t), shrimp (2'205 t), quinoa (141 t), various products	1a & 1b farmer organisations 2a & b exporter certified groups
Nicaragua	≈ 9,000 producers	Coffee (3,249 t), honey (493 t), cocoa (381 t), turmeric (2 t)	1a & 1b farmer organisations
Paraguay	≈ 7,500 producers	Cane sugar (13,833 t), Rum (86 t), Sesame (seeds 1,180 t, oil 18 t) and Chia	1a farmer organisations ; 2a&b processor certified groups Farms rather medium size
Guatemala	≈ 6,300 producers	Coffee (1,792 t), cane sugar (168 t), cocoa (138 t)	1a&b farmers organisations
Columbia	≈ 4,000-6,000 producers	Bananas (48'703 t) (plantations & groups), Limes (7,464 t) Coffee (3,629 t)	Type 2 for fruits? Some type 1a?

Annex 3.2.1.2 Case study Peru (summary of results)

The case study for Peru was one of three country case studies according to the methodology as described in Annex 1, section 1.3. The Peru case study was conducted by the local consultant Roberto Joaquín Salazar Córdova from February to May 2024 and included ten stakeholder interviews.

Organic imports from Peru

Peru is a key supplier of organic products to the EU, ranking number 1 supplier of organic coffee and mango and number 2 for organic bananas, quinoa and cacao (see import volume data in Peru table in the previous section). Promotion of organic production has been a key objective since 2008 to contribute towards poverty alleviation, food security, conservation of ecosystems and social/economic development.

34% of total export volumes to the EU (€ 6.5 million) are from exports of plant products (mainly fruit but also vegetables). Peru has had a bilateral commercial agreement with the EU since June 2012, with the aim to liberalise and facilitate the trade of goods.

Organic production in Peru

According to the data of SENASA, the national competent authority for organic production, there were a total of 90,400 organic smallholders in Peru (2022).

Table 8: Key indicators of the organic certified production in Peru by main products

Year	Crop	Number of operators	Number of producers	Organic area (ha)

2022	Coffee	246	58,781	119,911.85
	Cocoa	94	18,556	35,258.82
	Brazil nut	4	361	244,237.17
	Banana	73	4,842	5,505.02
	Quinoa	24	7,889	4,897.58
Total		**441**	**90,429**	**409,810.44**

There is already a tendency for a decreasing number of organic producers due to the complexity and costs of maintaining the certification as well as the effects of climate change. Prices paid by the market are considered not to cover the efforts needed to maintain organic certification. In 2021, SENASA still reported 112,200 certified organic producers; thus, the number of producers decreased by almost 20%.

Beyond the big volume products, Peru also exports many other organic products, for example, ginger, lemon, avocado, mango, lime and other fruit, curcuma, chia, etc.

The EU is the most important organic export market (slightly more than 50%), with the US being another important market.

Analysis of new implications in Peru

The case study interviews (eight producer cooperatives, one NGO for organic farming and one trading company) and analysis were conducted by the local expert Roberto Joaquín Salazar Córdova between March and May 2024. It was found that most interview partners were not aware of the necessary changes to comply with the new EU Regulation. Control bodies active in Peru were also in a phase of transition, adapting their procedures and training their staff. At the time of the study, no control body in Peru had been yet recognised by the EU for compliance certification.

In total, 28 responses were received from groups and operators in Peru (individual interviews & online survey). Most operators responded that they had received information about the changes from their CBs, but some only knew of an upcoming new EU Regulation without any details.

Interestingly, primary farmer cooperatives in Peru are not allowed to have any non-organic members, as per Peruvian law 31335 on the association of farmers and the constitution of higher-level cooperatives ("centrales de cooperativas").

Only second-grade (secondary) cooperatives (one of which was interviewed for the study) may also have non-organic farmers as members (in purely non-organic primary cooperatives). This means that more producer organisations in Peru are expected to meet the new group of operator definition than in other countries.

Initially, many groups interviewed assumed that they would need to change drastically due to members with more than 5 ha. However, the analysis of average production data and prices paid to producers indicated that for most key crops, the typical annual

organic turnover of farmers is clearly below the € 25,000 EUR limit for members in a group of operators. In banana production and possibly other fresh fruit and for very large coffee or cacao farm members, the organic turnover may need to be checked to be under 25,000 EUR. It is expected that, at least in banana production, some groups may have at least some members over the turnover limit, but more analysis is needed. The reasoning for the new farm size/turnover limit is not understood by local stakeholders and is perceived to contradict the objective of sustainable development.

Another factor is the new 2'000 members limit, which affected 2 out of the interviewed groups, which expect considerable or severe challenges as a result. In the online survey and interviews for Peru, a total of three groups reported more than 2'000 organic members (2-x coffee, 1 x cocoa). Local experts also assume adapting to the EU organic rules of Article 36.1 could violate national law 31335.

With regard to the stricter organic production and control rules, most groups reported medium to severe challenges to comply, less so for technical reasons than for economic reasons. Another risk stated was the non-availability of organic fertilisers and the low productivity due to a lack of liquidity to finance the necessary fieldwork. New restrictions on homemade organic preparations (bio-fermented products) could cause really problems, and increase costs and are considered contrary to regenerative farming practices. Most groups were concerned about cross-contamination from non-organic fields and the risk of pests and diseases. They stated that they had to implement precautionary measures. The costs of implementation and certification are considered very high and not compensated by the market.

Regarding effects on certification costs, most groups expect a cost increase of 25-50%, but two estimated lower cost increases (5-10%) and one 50-100% cost increase. Costs for initial adaptation were estimated to be 5,000-10,000 EUR. Estimates regarding implications on annual internal costs to maintain certification varied: three organisations expected a 25-50% increase, five organisations expected a 10-25% increase, and two organisations expected only a 5-10% increase. At the time of the interviews, no groups had received quotes for future compliance certification yet.

As a combined effect of all the new rules, two of the interviewed cooperatives (one banana, one cacao) were considering discontinuing EU organic certification. Six cooperatives stated that they are facing significant challenges but plan to adapt, and two cooperatives considered the changes as an opportunity.

In total (survey responses and interviews combined), 15 responses were received with regard to the overall implications of the combined new rules. 12 (80%) planned to adapt to the new rules, thereof 7 with considerable challenges. Five groups expected only minor problems or considered it an opportunity, and 20 % had either decided to or were considering stopping EU certification. Two more groups responded that they didn't know the implications yet.

In interviews and third country group survey participants from Peru (23), 20 organisations commented on opportunities. The following opportunities were

mentioned several times: the new rules improve integrity along the supply chain, will benefit committed organic operators, empowerment of small farmers, as group certification is restricted to farmers' associations.

Other comments received were that changes will only benefit large, individually certified producers and trading companies. Producers increase their costs without seeing any compensation, as they will be paid according to the price on the stock exchange. Another concern was that the new farm size restriction could result in only micro-producers meeting the 5-hectare farm limit, which increases the overall costs of the system and inefficiencies.

The biggest changes required will be the adaptation of organisations with more than 2,000 farmers by setting up new entities, re-organizing their ICS, more documentation, and more logistics. The challenges for coffee and cocoa are also increased by the application of the EU regulation for Deforestation-Free Products, which increases costs and time for ICS as well.

Annex 3.2.2 Africa: smallholder countries and case study Ghana

Annex 3.2.2.1 Country characteristics, smallholder crops and volumes

UGANDA					
Organic producers and group types	≈ 300,000 producers (most farms < 2ha)		Type 1b farmer federations (coffee) Type 2 Exporter organised groups (fruits, oil seeds		
Key organic products and EU imports 2022	**Coffee**	**Sesame**	**Pineapple**	**Bananas**	**Soybeans**
	4,455 t	6,356 t (seeds)	87 t (fresh & dried)	80 t (fresh & dried)	768 t (2022) (≈ 8000 t in 2021)
Other smallholder products (EU imports)	Ginger (96 t), dried capsicum (41 t), pimento (66 t), curcuma: (2 t) Cane sugar 6,222 t from Uganda is likely from large plantations. *Cotton: (not imported as fibre into EU, not reported in TRACES; 2,551 t organic cotton produced in Tanzania*)*				

ETHIOPIA					
Organic producers and group types	≈ 218,000 producers (most farms < 2ha)		Very small farms (1-2ha) in very large type 1.b farmer federations (coffee), Type 2 Exporter organised groups (fruits, honey, soy)		
Key organic products and EU imports 2022	**Coffee**	**Avocados**	**Honey**	**Soy**	**Sesame**
	8,258 t	38 t	27 t	660 t soy 4,523 t oil cake	668 t seeds (*2021*;

Comments	Honey could be "wild harvest", which will no longer be certifiable as wild collection under Regulation (EU) 2018/848. Coffee farmer unions in Ethiopia are very large with the biggest union being almost 80'000 organic farmers.

TANZANIA					
Organic producers and group types	≈ 148,000 producers (most farms < 2ha),		Type 1.b farmer federations (coffee, cocoa), Type 2 Exporter organised groups (fruits, honey, cashew, spices)		
Key organic products and EU imports 2022	**Coffee**	**Avocados**	**Cocoa**	**Cashew**	**Honey**
	2,688 t	1,1074 t	573 t	333 t	177 t
Other products	Sesame (351 t) Spices: 72 t black pepper, 31 t cinnamon 17 t cloves *Cotton: (not imported as fibre into EU, not reported in TRACES; 20,932t organic cotton produced in Tanzania*)*				

Other African countries with significant organic group certification for the EU			
Country	**Organic producers**	**Key crops under group certification and EU imports 2022 (TRACES)**	**Producer groups types (see chapter** Fehler! Verweisquelle konnte nicht gefunden werden.**)**
Democratic Republic of Congo	≈ 118,000 producers (*growing*)	**Cocoa** (10,869 t) Coffee (2,893 t)	Mainly Type 1 farmer organisations
Kenya	≈ 64,000 producers	**Avocado** (9,292 t) **Macadamia** (628 t) Coffee (265 t + 707 t roasted), Coconut oil (104 t), Shea (*in CN* 15159059: 481 t) Cashew (88 t),	Type 1a & 1b farmer organisations Type 2a & 2b exporter organised (fruit, nuts)
Madagascar	≈ 62,000 producers	**Vanilla** (Top supplier to the EU; 325 t), Cocoa beans (2,305 t), unshelled beans (1,450 t) Shrimp (1,436t), Pineapple juice (563 t), Pimenta (310 t), Cinnamon (360 t), Turmeric (259 t); Essential oils	Type 1a & 1b farmer organisations ; some organised by NGO Type 2a/b exporter organised groups.
Burkina Faso	≈ 27,000 producers	**Cashew** (shelled; 2,657 t)	Type 1a & 1b farmer organisations

Other African countries with significant organic group certification for the EU			
Country	**Organic producers**	**Key crops under group certification and EU imports 2022 (TRACES)**	**Producer groups types (see chapter** Fehler! Verweisquelle konnte nicht gefunden werden.**)**
		Mangos (dried including fresh: 5,370 t) **Soybean** (8,044 t), **Sesame** (579 t) Shea (*in CN* 15159059 : 3,013 t) Cotton (*not reported in TRACES; about 647t* production*)	2b exporter-certified groups
Togo	≈ 47,000 producers	Soybeans (120,094 t) Pineapple (juice 3,664 t; dried: 684 t); Cashew (shelled: 719 t)	Type 1 a farmer organisations Type 2a & 2b exporter-organised groups
Sierra Leone	≈15,000-20,000 producers *no reliable data rough estimate*	Cocoa beans: 13,795 t Palm oil: 3,399 t *Most from plantations, but also > 2000 organic palm smallholders estimated*	
Ivory Coast	About 8,000-12,000 producers *no reliable data rough estimate*	Cocoa beans: 14,297 t, Cashew: 2,107 t Bananas: 23,924 t but mostly large plantations Pineapples fresh or dried: 2,295t Mangos fresh or dried 1,1044, Coconut fresh: 2,427 t Shea (in CN 15159059): 1,000 t	
Ghana	About 10,000 producers *no reliable data rough estimate*	Cocoa bean 958 t + 67 t chocolate Palm oil (199 t; at least part is smallholder group certification) Soybeans: 636 t Shea butter (*in CN code 15159059*): 583 t Peel of citrus fruit: 257 t, (Bananas: 16'616 t is mostly from plantations)	Type 1a farmer organisations with close association to traders Type 2 processor/exporter organized groups. See country case study
Senegal	≈ 9,000 producers	Only part of farmers expected EU organic certified for exports Mango dried & fresh: 1,041 t Tomatoes fresh: 625 t (*likely not or limited extent from smallholders*?)	

Other African countries with significant organic group certification for the EU			
Country	**Organic producers**	**Key crops under group certification and EU imports 2022 (TRACES)**	**Producer groups types (see chapter** Fehler! Verweisquelle konnte nicht gefunden werden.**)**
Mali	≈ 12,000 producers	Sesame (seeds: 1,289 t Prepared tropical fruits and nuts Cotton (*not directly imported/in TRACES; 63 t* / -25% since 2021*)	Type 1b farmer federations (cotton) Type 2 exporter-organised groups (fruit, sesame)
Zimbabwe	12,000	very low exports to EU. Only very few producers likely EU certified.	
Benin	≈ 9,000	Soya beans: (14,047 t) Pineapple (juice 363 t, dried: 144 t) Cotton *(production: 2,132 t organic & conversion cotton*)*	Type 1a&b farmer organisations Type 2.a&b Exporter organised certification
Rwanda	≈ 9,000	Coffee (422 t), black tea (393 t) *may be partly from small farmers as Fairtrade tea origin)*	Type 1a&b farmer organisations

* Textile Exchange Organic Cotton Market Report 2022 (Textile Exchange, 2022)

Annex 3.2.2.2 Country Case Study Ghana

The Ghana country case study was conducted by the local consultant Ernestina Mensah-Pebi from February to April 2024.

Interviews and key stakeholders

The interviews in Ghana were conducted from February to April 2024, covering a total of 14 groups and stakeholders. They comprise eleven producer operations and three other stakeholders.

The interviewed producer operations included three farmer group organisations for pineapple, two cocoa cooperatives, one coconut oil and other product processor organised group and one coconut cooperative society, two plantations (one being a group of three plantations managed by the same owner) producing medicinal and aromatic plants and spices, one smallholder farmer group project for cassava and a farm producing papaya. Additionally, one palm oil producer group (which seems company organised) with 1'000 farmers answered the FiBL online survey.

Three stakeholders, who were also interviewed including the national platform meeting of organic stakeholders, further a private consultant and a private international organisation. They all responded positively to knowing the changes to the new EU Regulation, but had not yet studied the new requirements in detail.

The national organic movement known as the Ecological Organic Agriculture Platform of Ghana (EOAP-G) serves as the umbrella body of the organic stakeholders in Ghana. The platform is an information hub in the organic sector in Ghana and creates opportunities for members in the organic sector. There are about two hundred (200) members on the platform. About 20 are third-party organic certified groups/trade companies.

Organic sector overview

The organic sector in Ghana is still relatively underdeveloped, with smallholders playing an important role, but also many individual farmers or private sector operators. The sector is still faced with multiple challenges, e.g. organic input availability and cost, technical knowledge, inadequate infrastructure, labour and compliance with global standards.

There is no reliable statistics on the number of organic farmers in Ghana. The total number of producers is estimated to be around 10,000. Organic production is organised in individual farms, in producer organisations (type 1 farmer organisations) who are, however, mostly dependent on process/exporter companies for organic certification, ICS and marketing. There are also processor/exporter organised groups.

According to TRACES import data 2022, the country exports the following products and volumes to the EU (European Commission, 2023): Cocoa bean 958 t + 67 t chocolate, palm oil (199 t; at least part is smallholder group certification), soybeans (636 t), shea butter (in CN code 15159059; 583 t), peel of citrus fruit (257 t). Bananas (16'616 t) seems to originate mostly from larger individually certified plantations

Market situation and knowledge of changes to the new EU Organic Regulation

About 50% – 100% of the produced organic volumes are sold as organic certified products. In one case, it was reported that 70% of the certified organic cocoa production could not be sold as organic due to financial dependence on one buying company.

Different commodities were exported in varied quantities from 40% - 100% to the European Union (EU Organic) market. About 45% - 50% of the different organic commodities were exported to the US organic market. Some operations sell up to 100% of their products to domestic buyers for export, who often cover the certification costs.

All except one producer operation had received information from a Certification Body or other sources about the new regulation.

Group size and maximum farm size/organic turnover

Most groups/operators are composed of less than 2,000 members. However, groups are concerned about the potential future growth of members and the cost implications of establishing a separate ICS for different groups. There is also a challenge of dependency on other operators and licensed buying companies (LBC) within the cocoa sector for support. The farmer group is made of communities coming together, thus having to separate them because the numbers have grown beyond 2'000 members, i.e. the producer group has to restructure itself to accommodate the new requirements and may not have the resources to restructure itself.

In pineapple and coconut production, some members were identified, which have more than 5 hectares (e.g. in intensive agroforestry systems), but all have an organic turnover of less than 25,000 EUR. In the pineapple producer group, the annual turnover varies between 1,200- 2,800 EUR/year. In the cocoa groups, the farm sizes are between 1-5 ha, and the organic revenue per farmer varies between 400-600 EUR/year.

Group set-up and organisation of ICS

The interviewed producer groups appeared to meet the definition of a Group of Operators in terms of composition by small organic farmers but were highly dependent on trade partners for all aspects of organic certification, ICS operation, and joint marketing. Agreements between producer groups and traders would need to be reviewed & adapted according to the new requirements. The farmer cooperatives seem to be all liaised to a larger national buyer/processor/exporter of organic products or a Licenced Buying Company (LBC) in cocoa. These partners pre-finance the certification costs but deduct the costs from the cooperatives' sales. The farmer associations are certified in their own name. Some groups were not able to pay back the certification costs. Costs for internal inspection and training in organic production were found to be covered by the sponsor without payback by the group, but contractual arrangements are likely to vary between companies.

It was found that private farms working also with smallholders for other crops and may consider themselves as "farmer group", although they are not in a legal sense a Group of farmers. Several large organic export companies with also own certified contract production (Type 2 processor/exporter organised groups) were contacted for the study but did not participate, so no details are known for these supply chains.

A key restriction of concern for many cooperatives seems to be that a producer can only be a member of a single Group of Operators for a given product. This is considered to reduce farmers' ability to adjust to market opportunities and to present a high risk of locking the farmer into one supply chain. Farmers do not want this but cannot afford their own certification.

Smallholder groups have difficulty managing their ICS and maintaining the documentation by themselves. So far, they depend on external support for training, internal inspection, and marketing. The groups have no qualified ICS staff, which could

potentially help them to reduce their costs. The groups reported that agreements are signed for the role played by the contracted persons and the "partners" with regard to the ICS, farmer training, etc. The National Organic Movement showed concern that the composition of supply chains to be only for farmers is a challenge because the farmers do not have the capabilities, resources, framework, etc., to operate it by themselves.

In conclusion, it can be stated that more training is required to be able to get the internal systems of organic producer groups to adopt the new regulations.

Cost implications

Overall, meeting compliance with the EU Organic Regulation is expected to be expensive and increase the cost to the groups to maintain the certification according to EU organic standards. The majority of the groups lack the financial and technical capacity to maintain their administrative costs and have no detailed knowledge or understanding of the costs of certification and costs to maintain compliance until now.

Implications of stricter production rules

Stricter rules on crop rotation and crop diversity seem not to cause major challenges for organic producers in Ghana. Pineapple and cocoa producer groups interviewed practice dynamic agroforestry, whiles the other operators practice permaculture for soil fertility management. The use of green manure, and inter-cropping practices are common in the organic operation and also serve as additional income to the farmer.

Stricter rules and procedures for a retroactive approval of the organic conversion seem to be already applied in case of at least some of the interviewed groups with varying feedback (positive/negative). It was commented that the costs for sampling and land surveying to achieve one-year retroactive recognition were high; it would have been better to go through 3 years conversion period without the additional costs for the retroactive recognition.

Also buffer zones to non-organic neighbours can be a challenge (e.g. in cocoa production) without specific limits described per the standard.

The approval of local inputs seems to be too bureaucratic and slow even before the new Regulation have been implemented (e.g., neem products from farmers). New restrictions for plant protection will be even more challenging and restrict accessibility for farmers. It will also restrict the growth of the local (organic) agro-industries.

Overall combined implications, opportunities and challenges

Efforts are being made to adapt to compliance to the recent changes. Nevertheless, three of the interviewed operations are considering stopping EU organic certification. There are considerations to reduce the scope/number of farmers. The main reason is that there are no benefits of EU organic certification, as certification costs are high and no market price differential is being paid for organic.

The stricter rules, in particular, the prohibition of being a member of more than one Group of Operators for a given product, may reduce the farmer's willingness to remain certified according to EU organic standards.

Though many stakeholders also have a positive opinion that Organic Regulations are strengthened, they, in parallel, raise concerns about the cost implications of maintaining group certification. According to views raised during interviews, it is likely that most organic grower groups will not be able to continue with organic EU certification.

Another challenge mentioned by the stakeholders is the difficulty of starting a new Group of Operators under the new Regulation due to cost implications.

Annex 3.2.3 Asia: smallholder countries

Annex 3.2.3.1 Country characteristics, smallholder crops and volumes

INDIA		
Organic producers and group types	≈ 2,365,000 members in 6,496 grower groups 5,615 individual farm producers (*APEDA NPOP data 2022/23*)	Type 1.a Farmers organisations and processor/trader organised groups (type 2b) in line with the NPOPs grower group rules (max. size of an ICS-group: 500 farmers; legal group entity composed of farms). In addition to Third Party NPOP certification, there is a large organic Participatory Guarantee System programme for more than 1,3 Mio. farmers (Willer et al, 2023)
India is the country with the most organic producers worldwide. India's organic control system (the National Program of Organic Production NPOP) is recognised by the EU as equivalent (for Product Category A plant production and F and selected control bodies only) until at the latest 31.12.2026 and is currently in negotiations for a new trade agreement. Grower group certification (plant production) will continue to be certified under the NPOP programme in 2025. For more information about the implications of the change to the compliance system for EU organic imports from India, see the main report, chapter 6.3.		

Key organic smallholder products & EU imports 2022	Rice (various product codes)	**Cane sugar**	**Coffee**	**Turmeric**	**Soybean cake**
	27,385 t	8,349	2,567t	**1,247**	69,387
Other products in high volumes	Linseed: 5,348 t, cashew nuts: 653 t Tropical fruit prepared/preserved (CN 20089948) 9,71 t				

Thailand		
Organic producers and group types	≈ 115,000 producers	Farmer associations (type 1), working with exporters.

The vast majority of Thailand's organic producers are under a national governmental certification scheme of the Rice Ministry, which is not recognised for EU exports. In a FIBL project for ITC to analyse implications of the new EU regulation in 2022, the number of EU-certified operations was estimated to be only about 330 certified operations thereof, 98 grower groups. The number of farmers under EU certification was estimated to be < 5% of national numbers. Overall, organic group set-up in Thailand seems in process to align well with the new EU Regulation without major challenges reported. However, organic experts also commented that before controls start, some non-compliance, esp. around documentation and procedures, is not necessarily known. The relatively easy alignment may be due to a strong national CB and only rather few EU market-oriented actors organising various farmers' associations in key export commodities. Also, some EU-certified operators did not sell high organic volumes to the EU and could decide to stop EU certification instead of adapting without this causing major problems.		
Key organic smallholder products & EU imports 2022	**Rice** (multiple CN codes) **3,321 t**	**Soy sauce** 202 t	**Coconut products** Coconut Fresh: 196 t, Coconut milk (in CN 21069092): 536 t
Other products in high volumes	White sugar 2,999 t (*no raw cane sugar; seems unlikely from smallholders*), Various prepared fruit and vegetable products, Manioc starch: 2,196		

Other Asian countries with significant organic group certification for EU			
Country	**Organic Producers**	**Key crops under group certification EU imports 2022**	**Producer groups types**
Indonesia	*30,000-35,000 producers* *no reliable data on farms in groups, rough estimate*	Coconut oils: 1,260 t Coconut cream/milk: 1,501 t Coffee: 1,723 t Panaeus shrimp: 556 t Cinnamon: 372 t, Ginger: 60 t	Type 1 Farmer organisations Type 2a/b Company organised groups
Philippines	About 40,000 producers *no reliable data on farms in groups, rough estimate*	Coconut milk/cream: 1,327 t Desiccated coconut: 2,246 t Coconut oils: 6,518 t Prepared fruit products	Mostly Type 2a Processor organised groups
Sri Lanka	About 20,000 producers *rough estimate*	Desiccated coconut: 2,127 t Coconut oils: 8,223 t Coconut cream/milk 20,837 t (Black) Pepper: 572 t Cinnamon products: 310 t Cloves 90 t; Nutmeg & Mace: 90 t Prepared fruit products and juices	Mostly Type 2 Processor/exporter organised groups
Vietnam	≈21,000 producers	Cashew: 6,077 (nuts from multiple origins)	Mostly type 2 Processor organised

		Coconut milk/cream: 2,723 t Coconut oil: 746 t Ginger: 140 t, Shrimps 634 t Juices, food preparations	groups, no details known.
Pakistan	About 10,000-15,000 producers; *no reliable data on farms in groups, rough estimate*	41,66t rice (various CN codes) Dates : 1,115 t Sesame seeds: 1,876 t	No details known
Cambodia	7,700 producers	Rice: 11'834 t	No details known

Annex 3.2.4 Mediterranean countries: smallholder countries and case study Morocco

Annex 3.2.4.1 Country characteristics, smallholder crops and volumes

TURKEY					
Organic producers and group types	≈ 45'000 producers (FiBL data 2022) Estimate after analysis: ≈ 40,000 producers national regulation, about 30,000 for EU			Mainly Type 2c Exporter organised groups with 100% control Some Type 2a processor organised groups with ISC About 20% of farms are estimated to be individually certified	
Key organic products and EU imports 2022	**Sultanas** dried	**Apricots** dried	**Figs** dried	**Hazelnuts**	
	14,587 t	3,190 t	3,910 t	5,999 t	

For selected important products for the European market (hazelnut, dried apricot, figs, sultanas, pine nuts, some other fruit), organic production is predominantly in groups. If the groups are also under the Turkish regulation they are under a 100% external control system (without formal ICS) as required by law. There are also groups certified only for EU/NOP with ICS and under "standard" group certification. The organic certification is usually organised by processors. Producers tend to be certified in several small crop/regional clusters for the same company, a few groups seem to be larger (but < 2,000). Many farms are "small-medium scale" and have more 5 ha land (including land for non-organic other crops). Many also likely to exceed 25,000 EUR organic turnover especially due to fluctuating exchange rates and inflation.

It is therefore expected that almost the certification of many key crops exported to the EU (except arable crops like wheat or barley) needs to change as the current group certification system is not certifiable as "Group of Operators" under the new Regulation.

There are no reliable organic farming statistics for the EU market, nor exact information on the number of organic producers, but a very detailed Turkish Regulation organic farming register, which was used for estimating production in groups in Turkey. Since certification

according to the Turkish Regulation is linked to organic farm subsidies, many farmers are under the national system, as well as EU and NOP. There are also some groups which are only EU/NOP certified.

Based on the analysis of national certification data and correcting for double counting of producers producing multiple crops based on expert information, it is estimated that there are about 40,000 organic farmers in the country. About 85% of the producers are estimated to be under the group certification system (>90% of producers in hazelnuts, apricots, figs, sultanas, pine nuts, and many in olive and some other fruit/nuts). Deducting a large organic tea programme for the domestic market and adding 15% producers in key smallholder crops for EU-only certification would mean that about 30,000 organic producers potentially supply the European organic market. Of this total, approximately 25,000 (85%) are certified in about 400-500 groups/clusters, most of them "100% external control groups" (type 3b).

Many farms are expected to change to individual farm certification or adapt otherwise (e.g. split land with family members). Most of the farms are already annually controlled by the CB (max six farms/day). The change to individual certification still has considerable cost implications (max. four farm inspections per day permitted according to national regulation plus costs for certification plus 5% sampling rate for individual operators) but also changes the commercial and support set-up profoundly. Some currently EU/NOP certified groups with ICS are expected to opt to align to the group of operator rules.

Adaptation is underway by the main export companies. The entire system changes, some farmers may not be willing to adapt, and traders may compete fiercely with each other for buying from individually certified farms; Extra care will therefore be needed to control traceability and integrity under the completely new system.

Mediterranean third countries with significant organic group certification for EU

Country	Organic producers	Key crops under group certification and EU imports 2022	Producer groups types
Tunisia	≈ 9,000	*Tunisia's organic control system is EU-recognised as an "equivalent" country and is in negotiation for a trade agreement.* Olive oil (sum): 36,442 Dates: 6,838t Essential oils, argan oil.	Mostly individual certification, but some Type 3a and 3b groups with 100% external control
Morocco *(see also case study section)*	1,000-2,000 *Producers (rough estimate)*	Avocados: 2,006 t Olive oil: 243 t Olives prepared: 584 t Argan oil (wild collection; bit of cultivation) MAP plants like thyme, rosemary, mint, oregano, laurel (*mostly wild collection but also cultivated in group settings*)	Mostly individual certification, but some Type 3a farmer associations or Type 3b exporter organised groups 100% control

Annex 3.2.4.2 Case study Morocco (Summary)

The country case study for Morocco was conducted by the local organic farming expert Zaoui El Housseine, Agro-challenge, from February to May 2024. It included review of available data as well as 9 interviews with cooperatives, farmers associations well as exporters and producers (olive oil, dates, argan, aromatic herbs, fruits).

Overview of Moroccan organic production

The organic sector in Morocco is focused on export, with 97% of products destined for the EU market. As of 2022, Morocco's certified organic farmland reached 18,500 hectares, a 95% increase from 2018. Of these areas 7,057 hectares are certified according to Morocco's National Organic Regulation "BioMaroc".

This rapid growth reflects Morocco's strategic emphasis on organic production, particularly within its "Green Generation" plan targeting sustainable agriculture and rural economic resilience through 2030. The regions that have seen exceptional growth are Fès-Meknès, Draa-Tafilalt, and Tanger-Tétouan-Al-Hoceima. This growth is attributed to the expansion of certified areas for olives in Fès-Meknès, date palms in Draa-Tafilalt, and arboriculture (including olives and carob trees), aromatic and medicinal plants (PAM), and red fruits in the Tanger-Tétouan-Al-Hoceima region.

Arboriculture occupies 65% of certified organic land, with olive trees as the dominant crop (32%), followed by citrus (10%), date palms (6%), and avocado (5%). Aromatic and medicinal plants (PAM) account for the second-largest share at 18%. Together, arboriculture and PAM make up 83% of organic-certified land. Other fruit trees primarily include carob, grapevines, pomegranate, almond, and apricot trees. The remaining 15% is covered by various other crops, primarily vegetables, strawberries and other red fruits, capers, and roses.

Key organic products

Product	Qualitative Characteristics of the production system, farm sizes and type of certification
Olive (Olivier)	- Olive trees are cultivated using two systems: irrigated and rain-fed (pluvial). - Multiple varieties are grown, including traditional types like Picholine and Haouzia, with densities generally ranging from 100 trees per hectare for rain-fed olives up to 460 trees per hectare for irrigated olives. The Arbequina variety, introduced for intensive cultivation, can reach densities of over 2,000 trees per hectare with irrigation. - Olive trees cover 1.1 million hectares, representing 12.3% of Morocco's utilised agricultural area (UAA) and 65% of orchard areas (2019). The average farm size is under 5 hectares.

	- The olive sector in Morocco includes a high number of small producers in associations. There are at least eight organic-certified groups in the olive sector.
Avocado	- Avocado cultivation currently spans 8,000 hectares, with 85% located in the Rabat-Kenitra region. This crop has expanded significantly in recent years, and Morocco is now the 9th largest avocado exporter globally and 3rd in Africa (2017-2022). - About 80% of avocado farms are small to medium-sized, ranging from 1 to 20 hectares (source: Fruitop N°24, 2016). - Details of organic avocado farms are not known, but most likely, they are medium to larger individually certified farms.
Citrus	- Citrus cultivation in Morocco reached just over 129,000 hectares in 2022, making it the second-largest agricultural export. 44% of citrus is exported to Europe. - The average size of certified organic citrus farms is over 5 hectares, ranging from 3 to 200 hectares. A wide variety of citrus is produced, led by the Nadorcott variety (seedless mandarin), with other types of mandarins, clementines, oranges, lemons, and limes
Strawberries (Fraises)	Strawberry cultivation covers 3,800 hectares in Morocco, concentrated mainly in the Tanger-Tétouan-Al-Hoceima region. Export farm sizes mostly range from 2 to 20 hectares, with 64% above 10 hectares (source: African and Mediterranean Agricultural Journal, 2021). Certified organic strawberry farms are estimated to cover around 300 hectares in 2022, distributed among a few larger operators,
Medicinal and Aromatic Plants (PAM)	In Morocco, aromatic and medicinal plants (PAM) are mostly wild, including thyme, rosemary, pennyroyal, oregano, and bay leaves. Cultivated PAM includes geranium, lavender, rose, jasmine, verbena, mint, and saffron. Morocco is the world's 12th largest exporter of PAM, with 52,000 tonnes of fresh or dried plants and 5,000 tonnes of oils[5]. Organic-certified PAM mainly include wild varieties, with cultivated organic PAM expanding significantly between 2018 and 2022. Large farms, some reaching 200 hectares, have driven this growth, with PAM products exported fresh or dried, largely by large farms and a few operators. These large operators also source from many small producers to meet export volume demands. Many projects are underway to establish PAM producer groups.
Horticulture	Various fruits are cultivated, including apricot, almond, pomegranate, and grapevine.

[5] Fellah-Trade (2021) https://www.fellah-trade.com/fr/developpement-durable/plantes-medicinales

Vegetable farming (Maraichage)	Various vegetables are grown, including lettuce, tomatoes, peppers, beans, onions, potatoes, and melons. The primary exports are Charentais melon, peppers, courgettes, tomatoes, and beans. Certified organic vegetable farms range from 1 to 100 hectares, with exports dominated by large farms (>10 hectares) and a limited number of operators. At least three certified organic groups are structured as cooperatives.

Status of group certification in Morocco

Most organic farms in Morocco are individually certified farms. However as mentioned there are some cooperatives for olive oil and some for fruits and vegetables. There are also cooperatives of "producers" for wild collection products such as wild herbs or argan, which are partially also cultivated.

The structures of some existing organic groups can be complex, and often includes "type 3a farmer associations with 100% external control". Sometimes families seem to work as cooperatives to cultivate on parcels of land owned by other producers. A few examples analysed included:

- Simple cooperative with 18 producers and ICS, total surface 62 ha (fruit, herbs, cereals), average farm size 5 hectares
- A "Groupement d'Intérêt économique" of 8 cooperatives with a total of 350 producers ; 10-80 members per cooperative; under a 100% external control model without ICS, producing olive oil
- A "cluster" for olive oil (association per statutes, associated to an export company) with 60 producers, total certified areas 8000 ha, farmers size 5 – 18 hectares, under a 100% control model. Certificate of exporter lists the cooperatives
- Argan (wild harvest & cultivated): Union of 18 cooperatives with a total of 1400 producers, certificate for each cooperative (under 100% control model) and for the union as processor/exporter
- Cooperative of 86 families operating a total of 21 parcels of land which belong to 21 producers. Products: argan oil, capers, fruits & vegetables; Certificate is in the name of cooperative, listing the parcels of land in the Annex.
- An export organised group (Type 2 a) for a German trader (with 100% external control) with names of farmers listed in the annex to the certificate. This case has now changed to individual certification for each producer.

Implications of the new EU Organic Regulation on Moroccan small-scale producers

The sector's main challenge lies in structuring value chains and meeting EU organic certification, which is crucial for Morocco's target of 100,000 certified hectares by 2030.

The new EU regulation introduces several implications for Moroccan organic farmers, particularly small producers and cooperatives reliant on group certifications for access to the EU market. Major impacts include:

- **100% external control model without ICS** is no longer allowed. The regulation mandates that organic groups establish formal ICS to oversee compliance with organic standards. This shift requires investment in monitoring processes, which smaller groups might find financially challenging. For instance, many small cooperatives currently lack resources for ICS or independent certification, increasing the risk of losing EU market access.
- Certification Costs and Structural Changes: Due to the regulation's requirements, some Moroccan groups have started transitioning to individual certifications. This shift has led to an eightfold increase in certification costs for one group, while one export-oriented group noted a 50% rise in expenses. As a result, these costs may deter some producers from maintaining organic certification.
- **New farm size and organic turnover limit**: The EU's farm size restriction (<5 hectares) and/or revenue limits (<€25,000 annual organic turnover) pose challenges for slightly larger family farms certified in groups, particularly those producing olives and citrus for export. This limitation forces some cooperatives to spread plots among family members to remain eligible for group certification.
- **Stricter Organic Standards**: Morocco's specialised exporters, especially of high-value crops like strawberries, melons, and medicinal plants, will face new requirements for crop rotation and green manuring. Implementing these practices requires additional investment in water, infrastructure, and crop diversification, which may increase production costs without a direct rise in income.
- **Operational Adaptations:** The revised EU standards imply operational changes that could strain existing structures. For example, new rules on non-organic inclusion in cooperatives could disrupt membership structures in associations where members combine organic and conventional farming. Adapting to these requirements may complicate Morocco's goal of inclusive growth for small producers under the Green Generation strategy.

Opportunities and recommendations for Moroccan organic agriculture

Despite the challenges, Morocco's organic sector holds significant opportunities to align with EU standards, improving transparency and positioning Moroccan products more competitively in the European market. Key recommendations include:

- Enhanced Government Support: Increased training and financial aid for cooperatives to establish effective ICS would be beneficial. Public funds and incentives could also encourage local organic inputs, such as certified seeds and organic fertilisers, reducing reliance on imports.
- Stakeholder Training and Awareness: Organising seminars to raise awareness about EU regulations would support stakeholders in meeting new standards.

Workshops could target cooperative managers, producers, and agricultural advisers, fostering compliance across Morocco's organic value chains.

- Policy Harmonisation: Revising Morocco's organic regulations to align more closely with EU standards could streamline certification processes for groups with dual certifications. By reducing bureaucratic discrepancies, Morocco can facilitate smoother access to the EU market for organic products.

With strategic adjustments, Morocco's organic sector could overcome regulatory hurdles, strengthening its resilience, especially among smaller producers. This alignment with EU standards may also foster trust in Moroccan organic products, bolstering the country's reputation as a reliable organic supplier.

Annex 3.3 Analysis of EU and Swiss imports from smallholder supply chains

Table 9: Smallholder product volumes estimated to be certified under group certification provides an overview of key smallholder products with their respective EU organic import volumes from smallholder countries and total volumes and this study's estimation of how much organic imports approximately originate from farms under group certification.

Table 9: Smallholder product volumes estimated to be certified under group certification

EU Organic imports of smallholder products from "key smallholder countries"			
Product *CN Code*	**EU Import volume from smallholder countries (2022)**	**EU total import volume (2022)**	**ESTIMATION % of volume from farms under group certification**
Coffee *09011100*	132,000 t	133,422 t	95% of total import volume from smallholders in groups
Cocoa beans *1801000*	70,000 t	72,573 t	90% of total import volume from smallholders in groups
Cane Sugar *17011390* *17011410* *17011490* 17019910 (white sugar)	(only Paraguay, Columbia) 15,349 t raw cane sugar 40'944 t white sugar	42,403 t raw cane sugar 84,435 t white sugar	Volume from smallholder countries as estimate → ≈36%/48% of EU imports Cane sugar/white sugar
Rice *10063098* *10064000* *10062098*	73,867 t (thereof from India: 23,205 t)	76,473 t	Estimated 80% of volume from smallholder countries = 59,093 t =77% of EU imports Import from India = no challenges
Bananas *08039010*	665,130 t (Ecuador, Dom Rep, Peru, Columbia)	705,760 t	383,000 t (see chapter on banana) = 54% of EU imports

Black Tea 09024000	Only Kenya, Rwanda: 543 t	5,138 t	40% of tea from smallholder countries? → < 10% of imports
Mango fresh & dried 08045000 incl. guava & mangosteen	13,791 t	14,038 t	≈50% of fresh mangos and ≈ 90 % of dried mangos estimated to be from smallholders
Avocados 08044000	28,743 t	31,442 t	≈50% of avocados from smallholder countries → ≈ 45 % of total imports
Pineapple fresh & dried 08043000	Only Togo, Benin, Sri Lanka, Uganda, Ghana: 1,070 t	7,124 t	70% of smallholder countries volume: 749 t ≈ 10% of total imports (dried higher% than fresh volumes)
Sultanas dried 08062030	Turkey: 14,587 t	15,098 t	
Figs dried 08042090	Turkey: 3,910 t	3,925 t	
Apricots dried 08131000	Turkey : 3,190 t	3,198 t	
Dates 08041000	Tunisia (6,838 t) + Pakistan (1,115 t) + Turkey (288t)= 8,241 t	12,992 t	80% of production in Tunisia*, Pakistan & Turkey: ≈50% of total imports * EU equivalent organic system
Soybeans 12019000	Only smallholder countries in Africa: 143,481t	191'898 t	90% of volume from smallholder countries in Africa: ≈ 65% of total imports
Coconut 08011100 15131919 15131999	Desiccated coconut 4,804 t Coconut oil: 9,091t	Desiccated coconut: 4,858 t Coconut oil: 9,157 t	≈80-90% of total EU import volume from farms under group certification
Cashew nuts 08013200	13,622 t (all key countries except Brazil)	14,282 t	≈80-90% of imported cashew nuts from farms under group certification
Macadamia	Kenya 628 t, Guatemala 1t	629 t	> 95% from smallholder groups
Hazelnuts 08022200	Turkey 5,999 t + Georgia 6,059 t	6,984 t	100 % of volume from Turkey & 90% from Georgia = ≈ 85% of total imports from groups
Sesame seeds *12074090*	13,198 t	16,141 t	≈ 90% of volume from smallholder countries = ≈ 70-75% of total imports
Virgin Olive oil	Tunisia : 34,787 t	35,061 t	60% of Tunisia/Palestine/Morocco = ≈ 60% of total imports

	incl. Palestine + Morocco: 35,051 t		
Quinoa	10,979 t (mainly Peru & Bolivia)	11,001 t	> 95% of volume from smallholder groups
Ginger CN 09101100	18,668 t	37,277 t	50% of volume in smallholder countries = ≈ 25% of total imports
Pepper CN 09041100	1,367 t	1,388 t	> 90% total imports from small farms in groups
Vanilla 09051000	316 t (mainly Madagascar)	327 t	> 90% of volume from smallholder countries
Cinnamon 09061100	590 t	664 t	> 80% of volume from smallholder countries
Honey 04090000	11,199 t	17,533 t	> 90% of volume from smallholder countries = 10,079 t (57% of all EU imports)
Shrimps frozen Penaeus CN 03061792	5,558 t	5,781t	70% of volume from smallholder countries = ≈ 65%

Swiss organic import volumes of key smallholder products

Please note that data for organic imports (2023) into Switzerland was kindly provided by the Federal Office of Agriculture (FOAG/BLW) for this study. The data set lists imported products by various trade product names and is not designated per CN code. Therefore, the total sum is less precise than EU import data.

Product description (sum of various products)	**Swiss Import volumes (2023)**
Coffee *(Green Coffee, various product descriptions)*	6,984 t
Cocoa beans	6,513 t
Cane Sugar (*cane sugar & white cane sugar)*	5,024 t
Rice (various rice varieties in bulk, consumer packages	4,404 t
Black Tea	15,781 t
Bananas (fresh)	23,222 t
Mango fresh & dried	644 t
Avocados	209 t

Sultanas dried **Figs dried** **Apricots dried**	480 t 775 t 223 t
Soybeans	1,392 t
Lentils dried	781 t
Coconut (various products)	133 t desiccated and dried coconuts 1,013 t coconut milk & cream 429 t coconut oil
Cashew nuts (kernels)	635 t
Hazelnuts (kernels, roasted paste)	968 t
Ginger	42 t
Pepper	32 t
Vanilla	24 t
Cinnamon	24 t

References

A full list of references can be found in the main report from Meinshausen et al. (2024), available at https://orgprints.org/id/eprint/54313/