



European Organic Certifiers Council

**New Rules
for Organic Agriculture**

**Civil Dialogue Group meeting
European Commission
November 16, 2018**



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Regulation 2017/848

Groups of operators

What does the regulation provide for?

Regulation 2017/848

Art 36

1. 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;

Regulation 2017/848

Art 36

1. Each group of operators shall:

(b) **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 EUR 25 000 or whose standard output of organic production is not more than EUR 15 000 per year;

or

(ii) 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;

Regulation 2017/848

Art 36

1. Each group of operators shall:
 - (c) be **established** in a Member State or a third country;
 - (d) have **legal personality**;
 - (e) only be composed of members whose production activities take place in **geographical proximity** to each other;
 - (f) set up a **joint marketing system** for the products produced by the group; and
 - (g) 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.

Regulation 2017/848

Art 35 (Certificate)

5. Members of a group of operators shall **not** be entitled to obtain an **individual certificate** for any of the activities covered by the certification of the group of operators to which they belong.

Regulation 2017/848

Art 36

2. Competent authorities, or, where appropriate, control authorities or control bodies, shall **withdraw the certificate** referred to in Article 35 **for the whole group** where deficiencies in the set-up or functioning of the system for internal controls referred to in paragraph 1, in particular as regards failures to detect or address non-compliance by individual members of the group of operators, affect the integrity of organic and in-conversion products.

Regulation 2017/848

Art 36

3. The Commission is empowered to adopt **delegated acts** in accordance with Article 54 amending paragraphs 1 and 2 of this Article by adding provisions, or by amending those added provisions, in particular as regards:

- (a) the **responsibilities** of the individual members of a group of operators;
- (b) the criteria to determine the **geographical proximity** of the members of the group, such as the sharing of facilities or sites;
- (c) the set-up and functioning of the **system for internal controls**, including the scope, content and frequency of the controls to be carried out and the criteria to identify deficiencies in the set-up or functioning of the system for internal controls.

Regulation 2017/848

Art 36

4. The Commission may adopt **implementing acts** laying down specific rules concerning:

- (a) the **composition and dimension** of a group of operators;
- (b) the **documents and record-keeping** systems, the system for **internal traceability** and the list of operators;
- (c) the **exchange of information** between a group of operators and the competent authority or authorities, control authorities or control bodies, and between the Member States and the Commission.



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Groups of operators

What did EOCC do already?

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Project on preparation of delegated and implementing acts

- ⇒ Launch call for interest at EOCC members
- ⇒ Agree on methodology and timing
- ⇒ Kick off meeting with pilots
- ⇒ Presentation of pilot's analysis and proposal
- ⇒ (4) « Group » discussions (90' e-conferences)
- ⇒ Follow up in pilot's proposal
- ⇒ Condense all proposals in overview for the Commission
- ⇒ Submit overview and detailed proposals to Commission in December 2018

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What we learned during the discussions on groups:

- Family members want to establish a group mainly for marketing purposes, even when members produce (very) different products. **Can they?**
- Existing individual farmers (e.g. grape producers for wine) may also be interested in creating (mini)groups (of 3 or 4 members) just to reduce costs of certification while their certification cost is much less than 2% of their turnover. **Can they?**
- In the EU, group certification for organic production/certification does not exist where groups out of the EU can host thousands of small holder farmers (e.g. soy beans, sesame, mango, pineapple, ... ~~banana~~): **There are huge differences to covered by one set of rules... How?**
- NOP (USA organic legislation) and GlobalGAP have existing rules for group certification. **Which influence? What if they're combined?**
- reduction of existing certification cost, but introduction of a new cost for creation of ICS. **How much? How long before it'll be trustworthy?**
- reduction of income for CB, and increase of cost for start up of new way of conducting controls (of groups and of its members). **Impact on long term?**

Outcome as regards groups of operators:

Art 36.3: Responsibilities, geographical proximity and the ICS

Analysis:

- Risk for non controlability? Yes
- Risk for non harmonised approaches at MS level? Yes
- Risk for non applicability in EU context? Yes
- Risk for non applicability in non EU context? Yes

Outcome as regards groups of operators:

Art 36.3: **Responsibilities**, geographical proximity and the ICS

-Responsibilities of **members/farmers**

- Comply with all rules (production and traceability)
- Accept controls and internal certification decisions,
- Respect exchange of information requirement,
- Sell only to the (1) group,
- Buy only from/through the group, ...)

Outcome as regards groups of operators:

Art 36.3: **Responsibilities**, geographical proximity and the ICS

-Responsibility of **intermediaries**

- Verify compliance
- Keep records (in case of illiteracy)
- Ensure traceability
- Take/help taking precautionary measures

Outcome as regards groups of operators:

Art 36.3: **Responsibilities**, geographical proximity and the ICS

-Responsibilities of the **ICS manager**

- Final responsibility for compliance of members and products
- Ensure proper functioning of the ICS
- Facilitate/ensure exchange of information with CB/CA
- Establish description of and ensure functioning of ICS
- Manage requests for derogations (conversion, seeds, ...)
- Establish annual report of activities

Outcome as regards groups of operators:

Art 36.3: Responsibilities, **geographical proximity** and the ICS

-Geographical proximity =

- Same climatical conditions
- All members are located in the same country

(Several of the pilot's proposals were deleted by the group)

Outcome as regards groups of operators:

Art 36.3: Responsibilities, geographical proximity and the **ICS**

The IC **System** should englobe

- Risk assessment of members and their activities
- Checklist and procedures about handling irregularities
- Internal certification system (investigations, measures, new conversion period, downgrade (sub)batches, (r)eject problematic members/subgroups, ...)
- Internal communication
- New members policy and action plan

Outcome as regards groups of operators:

Art 36.3: Responsibilities, geographical proximity and the **ICS**

The IC **Staff**

- Qualified (subject, context and methodology)
- Quantified
- Impartial
- Communication skills (local language, report writing, ...)

Outcome as regards groups of operators:

Art 36.3: Responsibilities, geographical proximity and the **ICS**

The IC **Scope and other**

- Annual audit plan (including sampling where relevant)
- On-site-inspections
- 100% of members
- Every year at least once (risk based)
- Internal inspector accompanied by member
- Follow up of N-1
- Verification of changes

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As regards additional criteria for Risk assessment of Groups of operators (DA art 38.8b amending § 2 by adding):

Particular points of attention:

- High frequency of changes in membership
- High frequency of changes in the ICS and its staff
- Non coherent findings in IC and EC inspection reports (if detectable at all due to lack of details)
- Quality of the description of the Group activities and reporting

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As regards (a) composition and dimension, (b) documents and record keeping systems, systems for internal traceability and the list of operators and (c) the exchange of information, (DA of art 36.4(a)-(c)):

There are risks for
non controlability,
non harmonised approaches at MS level and
non applicability in third country contexts

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As regards (a) composition and **dimension**, (b) documents and record keeping systems, systems for internal traceability and the list of operators and (c) the exchange of information, (DA of art 36.4(a)-(c)):

Dimension: minimum and maximum?

No minimum but instead: thorough check of individual members and ICS in case small groups to avoid creation of groups just for reduction of certification cost.

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As regards (a) composition and dimension, (b) **documents** and record keeping systems, systems for internal traceability and the list of operators and (c) the exchange of information, (DA of art 36.4(a)-(c)):

Documents:	Legal personality of the group	Documents related to training activities
	Contract with each member	Economic and financial report
	Organisational chart	Copies of COI (if relevant)
	Map with plots	Description of risk assessment
	Internal audit reports	Evaluation of IC Staff
	List of members	Operators' records
	Annual report	Field records



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Thank you for your attention