



## *Report AFI-4<sup>1</sup> Brussels workshop*

**Wednesday, December 2, 2009**

### **Welcome and introduction, Beate Huber (FiBL)**

As long as the organic movement exists there have been rumours about frauds, and there have been some frauds. It was expected for some time that regulations would take these away but that has not been entirely the case. It was during the Biofach 2007 when rumours were particularly bad that some persons decided to do something about it, and the Anti Fraud Initiative was born. Three years ago, many had a problem with using the word fraud. Talking about it would shed a bad light on the sector. There was also the fear that the media would jump on it. So far there is only appreciation for the fact that the sector is addressing the issue. Nobody wants more rules, more documentation; what is needed is better implementation of the existing regulation; improve its effectiveness, have more transparency and better communication among the different parties. Everybody has a role, a responsibility. In earlier meetings a number of actions were identified, to be implemented by the three parties: traders, certifiers and authorities. This coincided with the movement to set up trade associations in a number of Member States. This allows operators to address the issue jointly as a group besides as individual companies. In her presentation [afi-initiative\\_2009-12-02.pdf](#) she summarises what has been done so far. She introduces the AFI website, <http://www.organic-integrity.org/>.

There is a round of introduction. All participants introduce themselves with name and organisation. There are 57 participants from all over Europe, one US citizen. The list of participants [AFI 4 Participants.pdf](#)

### **Report from the Authenticity of Organic Foods workshop, Jochen Neuendorff (GfRS)**

November 30-December 1 there has been a scientific workshop on the possibilities to guarantee the authenticity of organic foods through various new techniques. A traditional way of trying to distinguish organic from conventional is through differences in nutrient content. However, detailed review and even meta-analysis conclude that nutrient content cannot be used to separate organic and conventional. There is too much overlap and the differences in soil or weather have a larger impact than the farming system. There may be a difference but it is not big enough.

Pesticide testing has become established. Pesticide residues can be an indication of fraud, but analysis is never a stand alone solution – further proof of fraudulent activities by on-site inspections and document review are always required. Techniques are getting better; detection levels are very low.

Other, newer analytical methods become available. Stable isotopes, a physical test, can be used to trace origin and type of fertilizer used (see next talk). Metabolomic profiling is a chemical test, based on differences in metabolism. Both techniques are about profiling and fingerprinting coupled with multivariate statistics to detect anomalies. There are some clear possibilities; it has been tested on fraudulent product and showed that it could work. However, most techniques are currently for limited product groups only and require a large database with reference analyses to compare. At the moment the cost is prohibitive but this may change in the future. Like with residue testing, a positive finding requires an explanation, an investigation. Most of this research is in plant products but there is progress too in animal products. One can for example detect the use of antibiotics in the bone of animals, one can see with what type of feed the animals were fed with. In general, science starts to offer various multiple opportunities to distinguish between organic and conventional product. It comes with a cost. It mainly raises questions about quality management.

### **The use of stable isotope analysis to detect fraud, Prof Foerstel (TÜV Rheinland Agrolsolab)**

Everything is build up from basic elements. Some of the most common are nitrogen, carbon and oxygen. In the air, in soils, in plants, in animals, in food. There are different kinds of each element; isotopes. One is heavier than another. For example, fertilising materials are made of different types of nitrogen. One can look at the  $^{15}\text{N}/^{14}\text{N}$  ratio. In air this is zero. As most nitrogen fertilisers are extracted from air, the value of  $^{15}\text{N}/^{14}\text{N}$  in urea is close to zero. Manure is enriched by micro-organisms, it is metabolised and has a higher  $^{15}\text{N}$  value, resulting in a shift in  $^{15}\text{N}/^{14}\text{N}$ . You can measure this and see what fertiliser was used on the product. One can also look at carbon, for example the  $^{13}\text{C}/^{12}\text{C}$  ratio. There are C3 and C4 plants. Maize is C4. You can see in the egg what the hen was fed. Same with milk, you can see with what the cow was fed. There is an EU project to research that this technique can be used to differentiate between organic and conventional farming. It is possible to separate conventional from organic eggs. In the case of carrots

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<sup>1</sup> For the program, see [AFI-4 Program.pdf](#)

there is some difference but not enough to differentiate. It can also be used to confirm origin. Its first use was in the denomination of origin. Use of stable isotopes is established in the denomination of wine, honey and in spring water but can also be used to determine from which farm Egyptian potatoes or Ecuadorian bananas originate. One has to feed the profiles of a product from different origins, grown in a different way, into a database. The organic reference samples from a certain area should be representative and guaranteed organically grown. Each sample should come with a declaration where it was grown and a description of the agricultural methodology. After the analyses one can compare the test results with the background information in the database to detect anomalies. Like with residue testing, any anomaly needs to be investigated to explain why it occurs. A database is needed for each product group which is a cost. When such a database is ready, the cost of analyses is around 350 euro per sample, it takes 10 days, the interpretation longer. The use of stable isotope profiling is quite recent in organic agriculture, one does not know how it will develop. Also this technique cannot be used to confirm the organic origin but it provides information that makes you question its authenticity. Genuine producers can use it to distinguish themselves from those who make false claims. For his presentation see [stable-isotopes organic-traceability 2009-12-02.pdf](#). There are peer reviewed publications from other research, for example by Simon Kelly.

#### **Feedback from the AFI-3 meeting in Bologna, Fabrizio Piva (FederBio)**

He shortly explains how Federbio is organised. He reviews progress since the meeting in September with the 8 actions agreed [improve-organic-controls 2009-12-02 2.pdf](#). Notifications should come from CBs or authorities but not companies. Traders are not neutral. Residue findings are sometimes used to reduce the price. The content and quality of the information on a residue finding and how fast it should be followed up is described in an OFIS<sup>2</sup> protocol. The public database is to be maintained by the authorities. There is a technical document RT 16 that describes the risk based approach. This is based on HACCP and gives a scoring per operator. Parallel production is for example a particular area of attention, or in how far good agricultural practices are used. Risk management is different for farmers and processors. It leads to a different treatment of operators in different risk categories. Adherence is reviewed by the accreditation body Sincert, now Accredia. Reg 834 and 889 are not specific for organic but give possibilities for verification of quantities produced and sold. This should now be effectuated; the authorities will supervise that the CBs do this sufficiently. The common market requires common procedures. Italy is particularly active, one cannot wait for harmonisation, the work needs to be done. After fruits and vegetables FederBio is now working on cereals and oilseeds. Commingling is a problem. Fabrizio presents some figures of what kind of irregularities are found, which type of products, what stages of the plant cycle, the type of operators, which parts of Italy. The background information is there that allows more effectively addressing the critical areas. It allows the CBs and authorities to identify the black sheep and exclude them from the market. Apart from residue analyses there is some virtue in reviewing prices. Low prices can be an indication that the product cannot be organic.

Responding to a question that in the case of fresh products, the product is already gone before the results are known, he replies that sometimes hard results come in very late, in some case they are two years old. They are still useful to build up the monitoring system. Other countries should share their results. A particular issue is that traceability is sometimes an issue when there is a problem, it is not certain which companies dealt with the product.

See also [www.politicheagricole.it/ProdottiQualita/ProdottiBiologici](http://www.politicheagricole.it/ProdottiQualita/ProdottiBiologici)

#### **Report from the certifier's CoC, Jochen Neuendorff (EOCC)**

The certifier's Code of Conduct is hosted by but is not limited to members of the EOCC. It is signed by 21 CBs<sup>3</sup>, mostly European. This is not many; one expects others to sign up. Some larger players did not yet join because of the potential legal consequences of arbitration. Jochen circulated a questionnaire recently to ask how the CBs deal with the CoC. Adherence to the CoC is in most cases not yet included in the internal audit of most certifiers; it should be. Some CBs say that they observe the CoC but that other CBs don't. Old habits die hard!

Regarding the arbitration procedure, 6 of the respondents to the questionnaire want it and 9 do not want it at the moment. Jochen's proposal-conclusion is to wait for more participation first and then decide how to proceed with this. The threat of arbitration proceedings is currently deterring CBs from participating.

The RASO (Rapid Alert System Organic) form is nice for pesticide findings but not for other problems, and needs to be amended.

He remarks that multiple certification still happens, which CB have to notify, which is not always done.

#### **Report on the Code of Good Trading Practices, Bavo van den Idsert (IFOAM EU)**

The idea of the code developed from AFI-2. What was agreed in Hamburg are the principles. 26 companies signed on but many more are to follow. The work started on how to implement the principles. This is done by a number of trade associations. Further development of the toolbox and code was done in France this summer. Two additional principles were formulated, about management and sustainability.

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<sup>2</sup> Organic Farming Information System, [http://ec.europa.eu/agriculture/ofis\\_public/index.cfm](http://ec.europa.eu/agriculture/ofis_public/index.cfm)

<sup>3</sup> [http://www.eocc.nu/home/pdf/list\\_CB\\_COC\\_270209.pdf](http://www.eocc.nu/home/pdf/list_CB_COC_270209.pdf)

As there is no funding, there is a problem in coordination. If a group wants to work on it they can. This is not always communicated well with the others; who might feel left out. There is a danger of national codes developing; there is a need for one European or one global code. Ownership of the code is an important question when companies start challenging adherence by the other party. Perhaps with the IFOAM EU group. One of the tools developed is that companies make an assessment of their performance using an internet based tool. The traders' Code has become a very ambitious, broader project. It is discussed in the afternoon workshop.

**Positive testing results: Fraud or Error.** Bavo van den Idsert (VBP Biokap)

See presentation [residues-in-organic-products\\_fraud-or-error\\_2009-12-02.pdf](#)

The title of the presentation refers to the fact that any residue finding needs a good interpretation, it can be sometimes be fraud but generally more ignorance. There is a problem of contamination.

It took 2,5 years to start this project, in November 2008. It started off with 10 companies who realised that they have to deal with the problem together. It was necessary to build trust among the companies before they wanted to share their knowledge and to share it with the CB. The participation of SKAL made them feel more vulnerable – to balance this there is extra surveillance of those who do not participate in the program. The project is supported by the Dutch authorities. More companies are joining. KAP is an existing quality management system managed by RIKILT, a Dutch government institute. RIKILT provides also background information from conventional (like, where certain pesticides are used for). 1500 analyses per year. Each company gets a quota of analyses based on turnover. The results are shared, anonymous. At the start sample taking is not risk based but it will be when the system runs well.

It is becoming somewhat international as Biofresh from Belgium joined recently. There is a willingness to cooperate with similar projects in other countries.

Apart from being useful as a quality assurance tool it becomes a communication tool; it is an extra what the companies are doing and they advertise it.

When a positive result is investigated often some correction is needed; the experience is that in 50% it turns out that there is nothing serious going on. Mistakes happen. If one finds a residue, one should not immediately jump to conclusions. A strong example is that a first lab found a clear result but two others don't find any residue at all. Considering that a recall could have had great financial repercussions one has to be sure of the conclusion. An investigation may take months. Monitoring is the start, not the final result. A case by case approach is needed. There is a need for quick responses in the fresh sector. The response is increasingly to be based on experience, not just one positive test result.

Being strict in one country means market distortion, differences between countries should be minimised. This means that there is a need for international cooperation.

**The authorities' role regarding frauds and irregularities,** Jan Wicher Krol (EOCC)

Announces that EOCC has been registered, has a logo and a website, [www.eocc.nu](http://www.eocc.nu)

Jan Wicher was asked by the workshop organisers to circulate a questionnaire among certification bodies to ask their opinion about the authorities' role regarding frauds. Such a questionnaire is a useful tool to get an impression of the situation but is not very quantitative. 15 CBs replied from 11 Member States. [authorities-role-regarding-organic-fraud\\_2009-12-02.pdf](#)

7 CBs report that frauds occur but don't know the size of them. Either they were not involved in these cases themselves, or this aspect is not important to them. The respondents confirm that in their opinion there is more fraud in product coming from certain exporting countries outside the EU. Generally they were happy with the role of the authorities, most CBs were looking at improving themselves. They are aware of what they can improve themselves.

The notification form is quite something to fill in adequately. This might be a hindrance to submitting notifications, on time. It allows the Commission (COM) to follow up with the authorities in the Member States. The notifications are put into OFIS. They are not accessible for private CBs. Competent authorities have the overview and should forward relevant information to the CBs in their country. He proposes that notifications should be send to all CBs; it is interesting information. One important step is that when an import authorisation is withdrawn in one Member State, this happens throughout the EU. Basically the system is ready to be used. There have been 15 notifications so far in 2009, it seems the top of an iceberg. The notification system is not really an alert system. COM should ask itself how alerts should be dealt with, besides formal notifications. Some guidelines are needed how to deal with pesticide residue findings. A suggestion is made to replace the current notification procedure with the RASFF system, or a real-time notification.

Finally, the COM should check, follow-up what is done by the member states with the notifications and related issues. One has to assure that there is a level playing field.

He ends with a list of possible to-do's for the EOCC itself. There is an official presentation of the EOCC during coming Biofach Thursday 10.00 hrs. All are invited.

**Progress with the new EU import regime & how it helps to prevent frauds,** Herman v Boxem (DG Agri-European Commission, unit H 3)

He remarks that there are lot of meetings related to organic in Brussels. Voting on the new EU logo on the web is on <http://ec.europa.eu/agriculture/organic/logo/voting/>. The regulation is becoming a public-private partnership, as is the intention of the regulation. He gives an update on the new import regime. He

refers to Council Regulation 834/2007, Commission Regulation 1235/2008 and on the Guidelines on imports of organic products into the EU (15.12.2008 rev.1). The guidelines are called soft law, it details about the implementation. For imports there are three possibilities; The List of Third Countries, individual Import authorisations and new, List of approved control bodies.

The work on the List of Third Countries continues. Tunisia has been added recently. There are 19 applications. Japan is expected to be listed soon. He expects that there will be a reciprocal agreement with Canada. Negotiations with the USA started again. There is progress with China, Turkey, Thailand. Import authorisations by the member states per consignment is still possible but will be phased out 31 December 2012. There are two lists of approved control bodies, for equivalence and for compliance. For the equivalence list the first round of applications ended 31 Oct 09. There are 72 requests. The evaluation by the COM will take less than a year, the first list is expected end of 2010/early 2011. New applications are possible 31 Oct each year. The deadline for applications for the list for approval for compliance is 31.10.2011. This is for products that are produced in full compliance with the EU regulation.

The new regulation is intended to be more simple, provide more transparency and less burdensome. It is expected that it works better than the previous one, and frauds are made more difficult. There is an increasingly good cooperation with Competent Authorities (CA) in Third Countries, they act more and more like colleagues, partners of the COM. This includes that when there is an irregularity, the CA is asked to investigate. Good example is Turkey. This allows for concerted action. The inclusion is for a limited period, when the CA in a Third Country does not perform; the country can be removed from the list. The Control Bodies have to provide an independent assessment report annually to assist in the supervision by the Commission, also they can be removed from the list. It is believed to be a system that allows for a sufficient level of control by the Commission.

The MS import authorisations are all notified on the OFIS website, the public area (for reference, see above). The withdrawal of an import authorisation should lead to withdrawal in all Member States but this has never been enforced.

When it comes to fraud prevention the guidelines are important. These are on the EU organic farming website. New is the supervision of the CB in third countries. There is a requirement for publishing the list of operators on the web, for more transparency. There are precise requirements for control bodies concerning communication. There is an obligation to investigate and to respond quickly. As these requirements are written out in certain detail, they allow the authorities to enforce the regulation better.

During the questions it is remarked-confirmed that residues might be found of aromatic substances that are very similar to for example dithiocarbamate. This requires investigation in the field before a product is taken off the market. CB may be implicated in the criminal activity. In that case the relevant authorities need to become involved, including in third countries.

Enforcing the regulation involves other agencies, for example when it comes to legal action. It is recognized that organic may not be on the top of the list of priorities when it comes to prosecution. Participants stress that solitary actions have a limited effect only. Fraudsters can have 2-3 different projects with 2-3 different companies. When one fraud is discovered, another one is waiting to take over. Use local government, exporter associations, NGOs or local experts to investigate. Otherwise problems will not go away, they are just relocated.

**Sherlock: a private sector response to deter frauds.** Ken Commins (IOAS) & Jochen Neuendorff (GfRS). [the-sherlock-programme\\_2009-12-02.pdf](#)

The design of the program has already been presented at AFI 2. The research, done with NCGA in the US is finished; the program is written out. There is a CD with background material. It is a program providing additional scrutiny for anyone who has a supply chain. That user requires that all those in a certain or all supply chains and their CBs are registered in the Sherlock program. The (international) chain of custody is then seen. Based on risk assessment and experience in similar supply chains, the Sherlock program determines various fraud detection measures that the existing CBs have to include in a next inspection of some of the chain actors. It is a task that comes in addition, it is complimentary to standard regulation inspection activities; some will be hardly noticed by the operator. The CBs are paid for this extra work. It is almost entirely risk based. The costs are very limited but the effect in terms of detection, in terms of deterrence are very worthwhile. Sherlock will provide for protocols how a certain item needs to be investigated. Fraud investigation is a different job, requires additional skills from the inspectors. Difficult cases may be taken up by Sherlock appointed auditors, or the work is done together. In case of fraud the emphasis is on collecting evidence so that the case can stand in court. That is a choice; the program already gives power to the market place to marginalize defaulting suppliers as there is feedback about findings to those participating. The Sherlock program is about to start up, also in Europe. A founding meeting is expected to be held during the next Biofach.

A number of known fraud cases are reviewed by Jochen Neuendorff.

**Continuation of AFI**, Bo van Elzakker (Agro Eco-Louis Bolk)

See presentation, [afi-continuation\\_2009-12-02.pdf](#)

Bo explains that AFI is a platform run by three persons organising meetings, workshops, analysing information, pooling expertise, to stimulate communication, exchange and cooperation between traders, CBs and authorities. On purpose it is an initiative of individuals to remain neutral and acceptable to all

parties. These meetings provided for a better understanding of the problem, of what the different stakeholders can do. A number of solutions, of strategies, of steps are identified. However, the implementation is with individual companies, sector bodies, CBs and authorities. AFI itself is just an informal platform that facilitates and stimulates only. This work has been made possible by donations from some governments and sector bodies. It is now fairly clear what needs to be done to improve the situation; the conclusions of the workshops are becoming repetitive. It is time to implement these. AFI should not become a talk shop. AFI should move on to another level of activity. This year there is a consultation with interested parties what the next phase should be.

Firstly the idea is to develop a simple secretariat, to continue with gathering information, with analyses of past fraud cases, drawing lessons, suggesting recommendations, and making this information better available, for example on the AFI-website. The secretariat can organise technical & progress meetings, and country focus meetings. That is all possible with some limited subsidies, donations and participation fees. The pool of expertise can be made better use of. We could see that this is used, for example in developing harmonised formats for communication, or provide input in the traders' Toolbox, or the interpretation of residue findings. The secretariat can assist in the follow-up on the Rapid Alert System, in improving transparency and communication. We can work on a warning system that is based on documented cases, on de-certifications. For these activities more funds are needed, perhaps through a membership fee. Separately we are targeting at getting research funds. This planning is to be discussed in one of the workshops.

### Feedback from the parallel workshops

**Traders.** Under the guidance of Cecile Frissur (Synabio) the traders had a workshop on the CoGTP and the further development of the Toolbox. There has been quite some development in France during the summer. Two more principles were added. The operationalisation of the (principles of the) code is to be continued by working on the toolbox, on national and international level. The workgroup recommends to be careful with using the fraud word. The work should not only be about fraud but also about identifying and spreading good practices. The adherence to the code should be connected with CSR in the whole organic chain, good trading practices should not be limited to raw materials. The results should be accessible for everybody, therefore the traders and processors subgroup in the IFOAM EU group could be a good house. Communication should be better (a role for the AFI secretariat?) with all interested parties. The further development of the code requires the active involvement of companies.

**Certifiers.** Michel Reynaud (chair EOCC) has chaired the workshop of the certifiers. Part of the discussion was on the Code of Conduct. The arbitration clause poses a problem for a number of CBs to sign up. The decision of the group is to skip arbitration for the time being. First it is important to get more CBs to sign up, not only EOCC members or in EU, but internationally. The CoC should be promoted and incorporated in the quality systems of the CBs. The work on on risk based inspections and analyses is to be continued as a separate process. This is mandatory for the EU regulation. At the next Biofach there is an assessment of progress.

**Authorities.** Robin Fransella (UK) chaired this workshop. They realised that since Hamburg there is much more interstate communication. There is now an informal (working) group of CA in 8 importing MS who communicate, cooperate in resolving issues around integrity. There is no formal system in EU to warn each other about problematic products; this is something that needs to be worked on. The plan is to intensify contact with CAs outside of Europe to protect the genuine operators from those who are not.

A first step is to find out who is responsible in the exporting countries. In case of problems there should be a proper investigation of the non-compliance in the third country, like is needed in the EU. At the same time the new system requires supervision of the control bodies, not so much problems with individual products. The authorities expect to move away from import authorisations. That is done through the accreditation of the CBs. It might be necessary to improve the guidance to accreditation bodies in this respect.

**Continuation of AFI.** AFI is appreciated as a platform for change, linking and inspiring people. Communication should be better and meetings more timely organised. It is necessary to continue with awareness raising. At the moment the most serious companies only are involved but it should spread. Besides the annual progress meeting, there can be more country specific meetings, but also more technical meetings like on QMS. There was a strong call for a complaints mechanism (which the AFI organisers so far have not been too keen to start with). The workshop also resolved that there is no harm in securing sponsorship from individual companies as long as no one dominates. AFI should continue in close cooperation with EOCC.

The plenary meeting agreed with these conclusions after some discussion.

### Next steps

Beate announces that there will be a presentation, an update meeting of AFI during Biofach, Thursday February 18, 13.00-14.00 hrs, Room Istanbul.

The meeting was made possible through donations from the following sector organisations:

