

Prevention of Fraud –

AFI initiative at BIOFACH 2011-02-16

Results of the Anti Fraud Initiative meetings in the US, Italy and Brussels

Introduction and overall assessment



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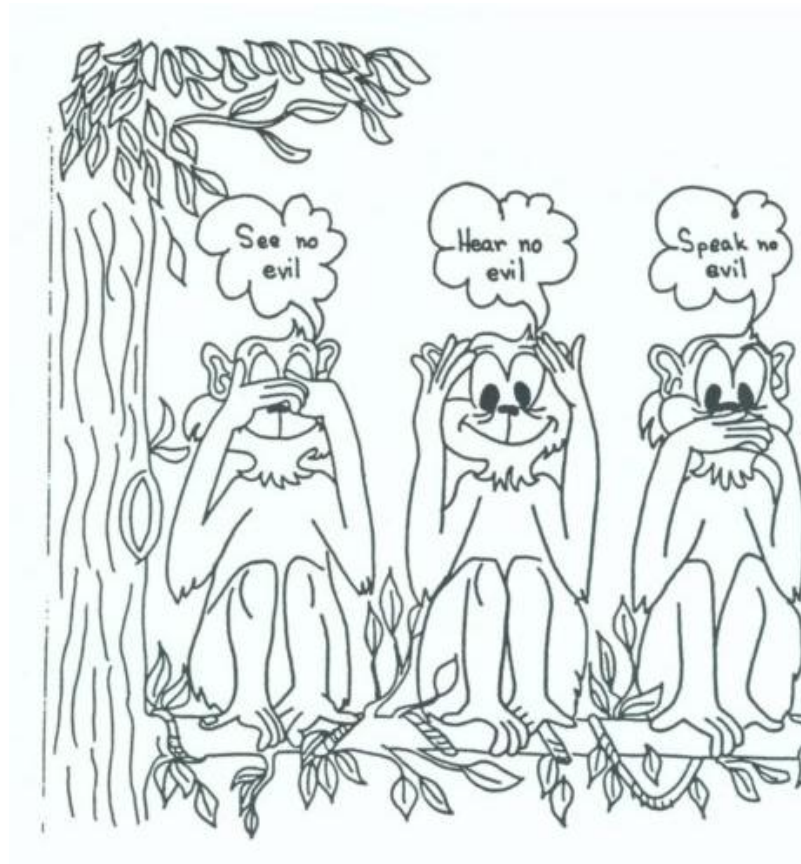
Is there fraud on the organic marketplace?



Some say not at all.



Others recommend not to talk about it.



Some overestimate the dimension of the problem.



But - what is the dimension
of the fraud problem?



The German example

A number of large cereal scandals, most involving different EU member states

The pioneer in organic poultry production turned out to be a top fraudster

Two large egg scandals – conventional eggs sold as organic



The German example (continued)

Some pig cases – conventional feed used in organic production, conventional piglets sold as organic, conventional pigs sold as organic

Some farmers using prohibited N-fertilizers and pesticides

A number of cases with falsified certificates....



Are Germans particular fraudulent?



Why to commit a fraud in organic?

- Attractive financial gains
- Sometimes low detection risk
- Sometimes low relevance of protective factors



Key issues

- Intransparent organic standards and missing technical advice
- Non-adequate risk-orientation of organic inspections
- Missing transparency and communication



What is the contribution of the Anti-Fraud-Initiative (AFI) to prevent fraud in organic?



AFI and fraud prevention

- **Open debate on fraud prevention: “Identify fraudsters quickly without putting pressure on all organic operators”**
- **Platform for information exchange between traders, certification bodies and authorities**
- **Knowledge transfer: best practices for fraud prevention**
- **Information available at <http://www.organic-integrity.org>**



Thank you for your attention!

More information:

www.organic-integrity.org

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What can be done to solve the problems?



Operators in third countries

Operator level

- **Advisory Services needed: No certificate without sufficient knowledge of the farmer on organic agriculture**
- **Fair pricing**
- **Implementation of a quality management system: Identification of organic critical points and continuous improvement of the operator**



Effective inspection and certification in third countries

- Risk oriented inspection (eg. inspection duration, unannounced inspections)
- Risk orientated testing by certification bodies (GMO, pesticides, isotopes)
- Exchange of information (e.g. suspicion or detection of fraud, switching CB's)
- Cross-checks for verification of the product flow
- Electronic publication of certified operators as well as de-certified and suspended operations, e. g. www.bioc.info



What can the EU contribute?

- **Intensify bilateral recognition negotiations – enlarge the third countries list (EU/US in particular)**
- **Establish and implement a risk-orientated, effective and cost-efficient supervision system for certification bodies operating within the EU and in Third Countries**
- **Establish an internet-based directory on certified organic operators in the EU member states and for third countries**
- **Establish an internet-based organic rapid alert system**

