Group Certification: who should be eligible?
Background, content and consequences of the debate at the 2008 Organic World Congress

Since August 2007, IFOAM has been one of the main actors in the discussions and advocacy efforts regarding the acceptance of group certification by the US National Organic Standards Board (NOSB). IFOAM developed and submitted official comments to the recommendation of the Certification, Accreditation and Compliance Committee (CACC) of the NOSB and made public comments in the NOSB meetings in November 2007 and May 2008.

CACC terminology opened the debate

In the US the Certification, Accreditation and Compliance Committee (CACC) was mandated to revise the 2002 NOSB recommendation on grower group certification. Throughout its discussions the CACC has referred to the topic as 'Certifying Operations with Multiple Production Units, Sites and Facilities under the National Organic Program'. This terminology was used in an attempt to demonstrate that the group certification methodology was consistent and compliant with the current National Organic Program (NOP) regulation. In addition to the adoption of this language, several actors, including IFOAM, defended the argument that multi-site or group certification was a reliable certification methodology and not a weakened requirement for smallholders. This has led to a widening of the discussion on group certification acceptance. Although there is broad agreement that the priority is to secure acceptance of group certification for developing country smallholders, several organisations and companies engaged in the discussion have wished to extend the scope of applicability of group certification. The CACC language allows the inclusion of any 'group' or 'chain' of operations operating under a common organic system plan and internal control system, whether these operations are farms, processing plants, retailers' stores or restaurants.

IFOAM's response based on IFOAM Accreditation Criteria

IFOAM's November 2007 comments to the NOSB did not exclude any kind of operation from the application of the multi-site certification methodology. In its May 2008 Appendix document, the CACC called for comments on several pending issues, among which were the following two questions:

- Should group certification apply to retailers, handlers, processors and restaurants if they meet the stringent criteria?"
- Should group certification be limited to only small farmers (smallholders)? What defines small?

IFOAM's response to these questions was based on the current IFOAM Accreditation Criteria (IAC), and reads "The group certification system within IFOAM is also evolving from the need to devise a system of control and certification of small farmer groups towards a system of combined internal and external control for operations organized collectively. IFOAM does not exclude

large farming units, processing units and traders from participation in a multi-site operation but requires that they be individual production units and subject to annual inspections by the accredited certifying agent. Further work on specific certification criteria for multi-site operations comprised of only large farming units, processing units or traders is needed."

This response reflects the tension between the need to think ahead and IFOAM's duty to defend the current IAC.

However, several IFOAM members have expressed concern that thinking on group certification has evolved within IFOAM in the last few years to include a broader meaning. This evolution, which intensified with the US discussions, has resulted in a test implementation of group certification in Europe through an IFOAM project. Worries relate to the concern that smallholders could lose from an extension of the scope of group certification to other actors, and that advocating for continued acceptance might become more difficult if the concept was broadened to include large companies. In February 2008, two American IFOAM member organisations submitted a motion to the IFOAM General Assembly (GA), stating: 'IFOAM and the World Board will protect and promote Grower Group organic certification exclusively for small-scale family farms that market jointly.' The IFOAM World Board (WB) published a comment to this motion in the April 2008 issue of 'IFOAM in Action'. The response read: 'IFOAM has continuously worked for and promoted grower group certification. Our work is based on the IFOAM Accreditation Criteria 2005 which is not limited to small-scale family farms. IFOAM's mission is leading, uniting and assisting the organic movement in its full diversity and not any single group.'

Debate at the Organic World Congress and IFOAM General Assembly

It was anticipated that the discussion at the General Assembly on this motion and on the IFOAM World Board's comment to it would be complex.As time was short for such a discussion IFOAM decided to use the opportunity of the Organic World Congress (OWC) to bring the discussion to its members and the public. Consequently, a 3-hour session containing a roundtable discussion entitled \Group certification: who should be eligible?' was organised. IFOAM prepared a discussion paper to set the frame of the discussion and provided the panelists with an overview of different positions and arguments expressed informally or formally during the previous months. Katherine DiMatteo (Wolf, DiMatteo and Associates, IFOAM WB member, USA), Tracy Miedema (Stahlbush Island Farms, NOSB board member, USA), William J. Friedman (Attorney at law, USA), Roberto Ugás (Universidad Nacional Agraria La Molina, Peru, IOAS Accreditation Committee member), Gunnar Rundgren (Grolink, Sweden), Marty Mesh (Florida Organic Growers, USA, motion submitter) and Bo van Elzakker (Agro Eco, Netherlands) were panelists of the roundtable discussion. The discussion was very lively, with contrasting opinions and arguments among the panelists and also among the audience. The discussion paper and the minutes of the panel discussion will soon be made available on the Group Certification section of the IFOAM website.

A Motion Bazaar was held prior to the General Assembly motions debates, offering IFOAM members the opportunity to discuss issues with the motion makers and to propose friendly amendments. During the Motion Bazaar, the aforementioned motion was explained and debated with several IFOAM members, and included perspectives from the OWC session discussions. By the end of the afternoon, the motion had been substantially amended and combined with another similar motion on group certification. The amended motion was 'IFOAM, and the World Board, will support, educate and advocate regarding Grower Group certification in order to obtain recognized and legal status world wide for small holders, family scale farmers and others small scale processors/ handlers. If or when other groups are considered for an ICS system, additional criteria will have to be proposed, discussed and agreed upon by the membership.' The amended motion was then presented to the Assembly, supported by all the speakers to the motion and unanimously approved (with a few abstentions).

Appendix 1: Minutes of the OWC debate:

Report of the Panel discussion on "Group certification: who should be eligible?"

Organic World Congress, Modena, June 18th 2008

The session was organized by IFOAM (International Federation of Organic Agriculture Movements), and moderated by Diane Bowen (IFOAM Organic Guarantee System Manager).

The panelists were: Katherine Di Matteo (Wolf, DiMatteo + Associates, IFOAM WB member, USA), Tracy Miedema (National Sales & Marketing Manager for Stahlbush Island Farms, National Organic Standards Board (NOSB) board member, USA), William Jay Friedman (Attorney of law, Covington & Burling LLP, USA, former NOSB board member), Roberto Ugás (Universidad Naciónal Agraria La Molina, Peru, IOAS accreditation committee member), Gunnar Rundgren (Grolink, Sweden), Marty Mesh (Florida Organic Growers, USA, motion submitted, board member of the Organic Trade Association) and Bo van Elzakker (Agro Eco, Netherlands, President of the International Organic Accreditation Service).

The roundtable discussion was preceded by two presentations of 45 minutes each. Bo van Elzakker presented the results of the IFOAM pilot project on group certification in Europe. Katherine Di Matteo presented the US situation regarding the acceptance of group certification and IFOAM's lobbying efforts in this regard.

The moderator introduced the panelists, briefly recalled what group certification is, IFOAM's role in the development of the concept and why the issue of the scope of applicability (who should be eligible) has become more and more debated in the recent months, including the reconsideration by the USDA of how to deal with group certification. She mentioned that a motion has been submitted to the IFOAM General Assembly by Florida Organic Growers (Marty Mesh) with the intent of limiting group certification to small family farmers marketing jointly.

The panel discussion started with Marty Mesh explaining the reasons behind his motion. He explained that the concept was originally developed as community grower group certification, and the importance of the "community" aspect for the system. According to him, internal control systems work because of the community / peer pressure. Taking this out would only weaken the system. Moreover, he recalled that the system was developed as an exception to empower the least powerful and to give them market access. Marty explained that the reason for him to limit the concept to small family farms is to make sure that advocacy efforts focus first on the main target group: smallholders, taking into account that there is a risk of consumers in the US rejecting the whole concept if it is extended to the big companies. He envisioned a public relation crisis for the NOP if it extends the concept. However, Marty recognized that there was not yet an appropriate definition of a "small family farm" in the US or at the international level and requested that IFOAM should initiate a discussion on this.Gunnar Rundgren opposed this approach, raising concern about the danger to transpose something that is essentially US tactics and politics into a worldwide position of IFOAM (through the motion process). It could result in negative outcomes e.g. in Europe, where there are already stores successfully certified

through a group scheme. Moreover, Gunnar disagreed with Marty's approach to limit the concept strictly to "small family farms", showing that this language also excluded the very small and poor processors (like village- level coffee grounders) in the South, which he believed was not the intent of the motion. Finally, Gunnar found the mix of terms in the US discussion (talking about "multi-site certification") confusing and believed that it was illusionary to try to fit everything into the language of the main regulation. He stated that group certification should be handled under a separate rule instead of trying to show that it already fits in the current regulation language.

Bo van Elzakker was the consultant in charge of the coordination of the IFOAM European pilot project on group certification. He explained the position of the farmer groups that participated in the pilot project, reporting that most of them believe that group certification would be a benefit for them but also realize that most of the benefit is drawn from the group dynamic rather than from the certification itself.

William "Jay" Friedman represents the largest retailer and importer of organic food in the US. He explained that they would like to see the group (multi-site) certification option be available to all types of actors, including processors, retailers and restaurants. Jay's argument was that governments realize that they have to treat everybody in the organic supply chain equally, and that if internal control systems work, they should work across the whole chain. He said that governments do not want to dictate how economic actors should organize themselves (e.g. cooperative versus big company). What is relevant to government is who holds the responsibility for certain products, and to make sure that the standards are the same for everybody. Excluding some actors based on political reasons will ultimately affect organic consumers negatively because it is going to make the retail prices raise. This position was supported by several panelists and persons in the audience, including panel member Tracy Miedema who also advocated that multi-site certification should not be restricted on the basis of scale or financial ability but rather that restrictions, if any, should be based on technical considerations. Gunnar Rundgren also argued in this direction, re-emphasizing that certification should not be used as a political instrument, when actually it is simply a conformity assessment tool. One participant was also supporting this position, arguing that it is a bad strategy to present group certification as an exception to the rule for the small and poor people. She believed that this approach would eventually backfire when consumers start questioning the fact that the small poor producers are getting away with less stringent standards. She also added, in her capacity of author of the 2002 NOSB regulation, that at the time the regulation was written, nobody thought that the rules would never change, and it is normal that the rules evolve over time. That was also the position of Katherine Di Matteo.

Several persons remained in disagreement with these arguments, including Bo van Elzakker, Marty Mesh and Roberto Ugas. Roberto disagreed strongly with Gunnar's argument that technical issues should be separated from political issues and instead believed that every technical discussion is political as well. He called IFOAM to develop policies to allow small farmers to continue farming. He also shared Marty's view that IFOAM's lobbying activities should remain targeted at smallholders. He strongly opposed Jay's argument that governments should treat everybody in the supply chain equally, explaining that the system of subsidies and market access is unequal in the first place. One participant supported this saying that the idea that

corporate identities should be treated the same way as individuals was dangerous. Another participant recalled that is currently not the case that the US law treats everybody in the same way: there is the 5,000 USD exemption, and retailers' certification is treated separately.

In April 2008, the IFOAM World Board had published a response to Marty's motion, saying that IFOAM is supporting the full diversity of the organic movement and not a single group. Katherine Di Matteo explained this position and referred to the IFOAM Accreditation Criteria (IAC) which had been changed specifically to open up the concept to different kinds of operators. This has been the recent evolution in thinking within IFOAM. The main argument is that everybody should be allowed to find the most suitable way to get certified and that IFOAM should encourage the availability of different systems to reflect the diversity of the organic sector. Katherine commented that if internal control systems can thrive, then these systems should be able to apply to whoever is able to implement the concept as it is envisioned.

Bo van Elzakker cautioned that there is a danger in the long run if the concept becomes open to big companies, because they will eventually influence standard setters and the requirements will become less and less relevant to smallholders, which might lead them to eventually drop out of the system. Marty Mesh supported this argument, giving the example of General Miles already using an internal control system for their food safety program, and the danger for illiterate smallholders if this kind of language was exported to the group certification rules. Gunnar Rundgren on the other hand, although he could see some sense in this argument, did not consider it significant enough to justify an exclusion of companies and thought that it could be dealt with in some ways. Issues of representation are anyway not always so straightforward. Tracy Miedema recalled that the role of the NOSB is to look at the whole organic movement and advise the NOP (National Organic Program) but that eventually the NOP can do what they want. The NOSB is just a forum for discussion and brings the best expertise to the forefront. The NOSB has farmers on the board who disagree completely with the possibility of certifying groups.

Several panelists and participants raised the concern that the current situation of implementation of Internal Control Systems is not perfect. There are worries in the IOAS (International Organic Accreditation Service) about it. Three persons involved in the IOAS, including Bo van Elzakker, Roberto Ugas and one participant, believed that it was unreasonable to extend the concept of group certification as long as it was not working perfectly for the current target group. Gunnar Rundgren on the contrary believed that it was not appropriate to start creating new criteria for exclusion and that the priority should be to get the current criteria to be well followed.

An opinion shared by many was that IFOAM should continue working on the concept of group certification to improve it further for smallholders. Roberto Ugas mentioned that grower groups in the South have used the group as a social construction to improve their situation, and called on IFOAM to spend more time on working on the current concept.

There was a discussion on the small farmer exemption in the US (farmers selling less than 5,000 USD of organic products annually can market their products locally without certification). Marty suggested that this could be used as the threshold to

define what a small family farm is. Tracy Miedema reacted to this idea saying that the 5,000 USD exemption in the US was not designed as an NOP welfare program for the poor, but rather a way to promote market entrance. A person could be very well off and produce less than 5,000 organic annual sales. One participant objected to this analysis, saying that the intent of the exemption was to help the very small farmers, although it might not have been written well enough. Gunnar Rundgren proposed to use the 5,000 USD exemption for developing country producers, therefore not having to re-discuss the whole US legislation. However, Katherine Di Matteo recalled that the exemption is not a loophole: according to the Organic Food Production Act, it can only be applied to farmers who do not sell to processors.

There was general agreement that smallholders (especially in the South) need special attention and support. However, there was disagreement on whether a certification scheme excluding others was the right tool to provide this support. Tracy Miedema said she was open to listen to these arguments but that people have failed to explain to her how excluding big companies from using group certification will improve the status of smallholders.

Different concerns were expressed about the development of a new group certification framework at the USDA level. Bo van Elzakker said that the USDA is about to create disharmony and urged IFOAM to make sure that regulations do not diverge too much on a global level. On the other hand, one participant proposed to consider regional differentiation, as a pragmatic solution. Gunnar Rundgren reacted saying that regional differentiation is indeed embedded in the WTO agreement but that he didn't believe that it could happen. Another participant argued that the development of the framework should come from the South, as they are the ones mostly affected.
The last interventions from the floor were from participants calling for more flexibility e.g. to be open to different ICS models as developed on the ground in order to encourage all kinds of actors to convert to organics.

In summary, there was a broad agreement that the USDA overreacted and realized it, and that the concept of group certification as currently defined has a place in organics and has all the chances to be accepted. The more controversial aspect of the discussion was on whether or not it is the role of a government (or IFOAM) to restrict the use of a certain certification tool on the basis of political considerations, and also which advocacy approach (the "exception for the poor" or the "equivalent system") was most likely to serve smallholders, immediately and in the long run. Those who thought it would be more appropriate to advocate for the group certification system as equivalent to individual certification recognized that there was at the moment a lack of guidance materials to fit other situations than smallholders and encouraged IFOAM to continue the discussion and eventually develop these materials.

Addendum: vote on the IFOAM General Assembly motion

The original motion submitted to IFOAM in February 2008 read:

"IFOAM and the World Board will protect and promote Grower Group organic certification exclusively for small-scale family farms that market jointly."

At a Motion Bazaar which was held prior to the IFOAM General Assembly motions

debates, IFOAM members had the opportunity to discuss issues with the motion makers and to propose friendly amendments. During the Motion Bazaar, the aforementioned motion was explained and debated with several IFOAM members, and included perspectives from the dialogue at the Organic World Congress session. By the end of the Motion Bazaar, the motion had been substantially amended and combined with another similar motion on group certification. The amended motion was

"IFOAM, and the World Board, will support, educate and advocate regarding Grower Group certification in order to obtain recognized and legal status world wide for small holders, family scale farmers and others small scale processors/ handlers. If or when other groups are considered for an ICS system, additional criteria will have to be proposed, discussed and agreed upon by the membership."

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