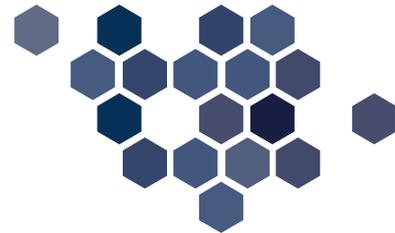


POLICY SUMMARY: GOVERNMENT SUPPORT FOR ORGANIC CERTIFICATION



OVERVIEW

This policy summary provides recommendations on why and how to provide public support to organic certification. It outlines options for providing this support, followed by examples from various countries.

SUMMARY OF POLICY OPTIONS

It is common for governments and public entities to support organic certification. Support can take the form of:

- Subsidies to operators for private organic certification
- Inclusion of organic certification in a wider subsidy policy for certification, or food quality schemes in general.
- A national certification program that provides free certification to all organic operators nationally in lieu of private certification.
- A national certification program that offers reduced-cost certification as an option for operators.
- Ad hoc measures

RATIONALE

The role of certification is to provide a guarantee in the marketplace, enabling consumers to identify products produced according to certain standards. Certification provides transparency to the buyer and helps optimize the functioning of the market. As organic certification is voluntary, the cost is mostly born by organic producers, while conventional producers have no such cost. Governments can correct this imbalance and help promote a well-functioning market by supporting organic certification, taking on some of the costs that are otherwise born by organic farmers.

Government certification relieves organic operators of funding through their certification fees both the development and operating costs for organic certification services. But also with private certification bodies it can be justified for the government to cover some of these costs as a support to an emerging sector.

Another reason for government to cover partly or fully certification costs is to help ensure equal access of all operators to the service, across the territory and across all farming systems. For example, operators in remote areas and those with diversified production systems often have to pay more for certification because the audit costs for the certifier are higher. An organic certification support system can help correct such disparities.



SCOPE

Certification support can be given at various levels, ranging from local to national government levels. It is suitable in all national contexts whether the organic sector is in early stages or more advanced stages of development and whether or not an organic regulation is in place.

POLICY OPTIONS

Government support to organic certification costs is a widespread form of government support to organic agriculture, used in all five continents. There are several scenarios through which governments and public entities provide organic certification support.

Subsidies to operators for organic certification

They can be integrated into the national policy on organic agriculture, be allocated a specific budget annually and be managed by the national organic program or related programs.

Certification subsidies as part of a wider policy budget allocated to supporting certification, or food quality schemes in general

This will provide the necessary framework and legitimacy for support to organic certification. This model is the one chosen in many EU countries.

A national certification body that is financed through the regular public budget provides no-cost certification to all organic operators nationally

This can be the most practical for operators, as they do not have to comply with complicated administrative procedures to apply for reimbursement of their certification costs. This has many advantages, but there are many situations where private organic certifiers are proven to be more effective than government agencies. This solution is only to be considered in contexts where there is a generally high level of trust towards the government.

A national organic certification body providing certification at reduced costs, which can co-exist with private certifiers

Sometimes, this publicly sponsored certification is valid only for the domestic market, e.g. in the case of Lao, because the national certifier lacks international recognition. The government may invest in getting their national certification body IFOAM-Accredited, which will be helpful to ensure it works up to international standards (this was, for example done by Czech Republic before they entered the EU).



Ad-hoc measures supporting certification

This could include funding the certification of groups of producers within a time-limited government-funded project, or projects supporting the establishment of Internal Control Systems for group certification.

COUNTRY EXAMPLES

The **Philippines:** Government reimburses 100% of organic certification costs for up to three annual certification cycles, with payments directed to operators through the certification bodies.

Tunisia: Government covers 70% of the cost of certification and inspection for both individual and group organic producers converting to organic, for a period of 5 to 7 years.

India: Various schemes at the federal or state level, subsidize farmer groups to meet certification costs and manage Internal Control Systems.

China: Some 80 local governments provide certification subsidies to organic farming enterprises.

Mexico: the federal government has a number of subsidy schemes to support organic certification,

covering 50% of the capacity building costs related to obtaining organic certification, 50 – 75 % of the costs of technical assistance for operators to produce their Organic System Plan, and 50 – 75 % of the total cost of certification. It also supports organic certification bodies directly by covering 50% of their accreditation costs.

United States: The US Department of Agriculture provides reimbursements of up to 75% of annual certification costs to an annual maximum payment of USD 750 per certification scope e.g. crops, livestock. Subsidies are administered through local USDA Farm Service offices.

Several state and county governments in the US offer low-cost organic certification to farmers.

European Union: Most member states cover part or all of farmers' certification and inspection cost for



quality schemes (including organic). In **Denmark**, a government-run certification system provides certification to all organic operators in lieu of private certification.

Lao: A certification body established by the Ministry of Agriculture in 2009 provides low-cost certification to small farmers, as well as assistance in setting up Internal Control Systems for group certification.

Indonesia: Bali kicked-started local organic certification by covering the costs of the certification of 22 farmer groups in the period 2009-2012.

This Policy Summary was prepared by IFOAM - Organics International
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