

## news shorts...

... continued from page 10

'To qualify as an organic farm, farmers must not use any synthetic pesticides or fertilisers for at least three years,' said Miles McEvoy, manager of the Organic Food Program at State Department of Agriculture. 'To ensure that farms converting from conventional to organic farming meet this requirement, our proposal requires them to be inspected during this transitional period.'

Public and written comments on the proposal were accepted up to the middle of July.

Information on the Organic Food Program is available on the website: [www.wa.gov/agr/fsah/organic/ofp.htm](http://www.wa.gov/agr/fsah/organic/ofp.htm) ■

### AWARDS SCHEME HELPS WITH ORGANIC CERTIFICATION

New growers in New Zealand applying for organic certification, or those seeking to expand their certified area, can obtain an award of up to 50% of the certification cost through the Enterprise Awards. These costs may include certification fees, soil and residue tests and fees for advice and consultancy. The funding is provided as a reimbursement on a dollar-for-dollar basis of up to 50% of the project costs. ■

News shorts continued on page 14

## Towards uniformity in smallholder group certification

*It has become increasingly clear that a workable and universally accepted method of conducting grower group certifications in developing countries must be devised. An important step to achieving this was taken with a workshop earlier this year. A follow-up is to determine what proportion of producers in a grower group must be inspected by the external inspector. Below is a discussion on this issue.*

In February 2001 a workshop on smallholder group certification was organised, under the auspices of IFOAM and Fair Trade Labelling Organizations (FLO). The aim of the workshop was to achieve uniformity in organic smallholder group certification, as well as mutual recognition. One of the decisions made at the workshop, in response to a call from international certifiers, was that a follow up workshop would be organised to continue the discussion on, amongst other things, re-inspection rates and risk assessment.

One of the organisers of the February 2001 workshop, Agro Eco, is presently preparing a follow up workshop to help certifiers harmonise their approaches. Interested competent authorities will be invited to share opinions and get acceptance for the approach taken.

Although the date of the follow up workshop has not been fixed at the time of writing, some topics have already been presented. This article is

intended as a discussion document. Readers are invited to send their reaction to it to the author via email to smallholders @agroeco.nl.

### Position of EU officials

Uniformity in smallholder group certification is a hot item. In the past few years many competent authorities have set their own standards, as it was not clear to them how the different certifiers were inspecting smallholder groups. Most competent authorities now require a minimum re-inspection rate of 10%, but voices can be heard in the EU suggesting that this figure should be raised to 15% or even 25%. Indeed, a French proposal has been circulated that requests 30% re-inspection in grower groups of 30 to 100 producers, and 25% for groups above 100 producers. The French paper proposes that, 'the sample should be chosen in such a way that all producers be inspected every four years. If there is any doubt all the producers will have to be inspected.'

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# certification & accreditation

The approach of competent authorities and of EU officials is highly debatable in the eyes of statisticians. Commissioned by the Swedish certification body KRAV, Mr. Norell, a statistician at the Swedish University of Agricultural Sciences, calculated the probability (r) of revealing at least one deviating farmer in a grower group. This probability depends on the size of the grower group (N), the sample size (n), and the proportion (p) of deviating growers in the population. The number of deviating farmers in the growers group can be written as Np. For instance, if there are 3000 growers and 3% of the growers are deviating, then there are  $Np = 3000 \times 0.03 = 90$  deviating growers in the grower group.

Mr. Norell calculated the probabilities of finding a deviating farmer out of two different sized grower groups, a grower group of 1,000 and one of 15,000 growers.

Calculations were made with different re-inspection rates and varying

percentages of deviation.

The main conclusion of Mr. Norell's calculations is that, in order to achieve the same probability of catching a deviating farmer, the sample size (n) does not have to be proportional to the size of the grower group. It is clear from the calculations that it is the actual size of the sample (n) which essentially determines the probability of finding deviating farmers (r). The probability of detecting deviating farmers does not increase with the size of the inspected sample. Far lower re-inspection rates than the proposed 25% or even 10% give the same results.

It is a quite easy step to realise that the proposals of competent authorities and EU officials to determine the re-inspection rate as a percentage of the size of the growers group, leads to wasted resources and time.

## IAF 62 Guidance

The IAF guidance on the application of ISO guide 62 on multisite certifica-

tion gives another strong sign that the size of the re-inspection sample does not have to be proportional to the size of the growers group. IAF guide 62 gives the following criteria for the determination of the size of the re-inspection sample in a multisite assessment:

In the example of a low to medium risk activity, the minimum number of sites (*i.e.* producers) to be visited per audit (external inspection) is:

*Initial audit:* the size of the sample (*i.e.* the number of producers to be inspected) should be the square root of the number of sites ( $n = \sqrt{N}$ ).

*Surveillance visit:* the size of the annual sample (*i.e.* the number of producers to be re-inspected) should be the square root of the number of sites, with 0.6 as a coefficient ( $n = 0.6 \sqrt{N}$ ), rounded to the upper whole number.

*Reassessment:* the size of the sample

Number in the grower group (N)	Number of producers to be inspected					
	Initial audit		Reassessment		Surveillance visit	
	Number to be inspected ( $n = \sqrt{N}$ )	% of total	Number to be inspected ( $n = 0.8 \sqrt{N}$ )	% of total	Number to be inspected ( $n = 0.6 \sqrt{N}$ )	% of total
250	16	6.3	13	5.1	9	3.8
500	22	4.5	18	3.6	13	2.7
750	27	3.7	22	2.9	16	2.2
1000	32	3.2	25	2.5	19	1.9
1500	39	2.6	31	2.1	23	1.5
2500	50	2.0	40	1.6	30	1.2
5000	71	1.4	57	1.1	42	0.8
7500	87	1.2	69	0.9	52	0.7
10000	100	1.0	80	0.8	60	0.6
15000	122	0.8	98	0.7	73	0.5
20000	141	0.7	113	0.6	85	0.4
25000	158	0.6	126	0.5	95	0.4

## news shorts...

### NEW GUIDELINES FOR BRITISH ADVERTISERS

Recently the British Advertising Standards Authority (ASA) has caught several companies have made claims about their organic goods that cannot be substantiated. Now the UK Committee of Advertising Practice (CAP) has issued guidance on advertising organic products, that explains what is acceptable and what is considered misleading or an over exaggeration.

The guidelines state that advertisers should not claim that organic food production uses no chemicals, fertilisers, herbicides, pesticides etc., if any such substances are approved for use by the UK Register of organic Food Standards (UKROFS). Claims that organic food production uses fewer of such substances are likely to be acceptable.

Likewise, advertisers should not claim that organic food is safer or healthier than conventional food unless they have convincing evidence that this is the case. It adds that CAP and the ASA are not aware of any evidence of this.

Organic food production should not be described as environmentally friendly or sustainable as 'all managed food production systems cause some damage to the environment'. The guidelines are available from the CAP website at [www.cap.org.uk](http://www.cap.org.uk) ■

*news shorts continued on page 16*

Neither in the scientific nor the regular certification world are 100% guarantees given, and the organic movement should not have the illusion that with a 100% inspection rate in Europe a deviation of 0% can be guaranteed.

should be the same as for the initial audit. Nevertheless, where the quality system has proved to be efficient over a period of three years, the size of the sample could be reduced by a factor 0.8, *i.e.*  $n = 0.8 \sqrt{N}$ , rounded to the upper whole number.

If these formulas are calculated for different sized grower groups (see table on page 13) it shows that re-inspection rates of 6.3% and less are acceptable in the conventional certification world.

#### From probability to guarantee

Mr. Norell calculated the probability of finding the first deviating farmer out of a farmers' group in which the percentage of deviating farmers is known. It is the first step in answering the central research question:

What should be the minimal size of the re-inspection sample ( $n$ ), out of the total growers group ( $N$ ) in a given risk situation ( $p$ ), to guarantee with  $x\%$  certainty that less than  $x\%$  of the growers deviates?

Neither in the scientific nor the regular certification world are 100% guarantees given, and the organic movement should not have the illusion that with a 100% inspection rate in Europe a deviation of 0% can be guaranteed. A method of inspection must be devised that, on the one hand provides adequate confidence in the conformity of the Internal Control System (ICS) and, on the other, ensures that inspections are practical and

feasible in economic and operative terms.

At present, tools are being developed at Agro Eco to help an inspection organisation determine the re-inspection percentage, in an objective and sound scientific manner. The first tool is risk assessment.

#### Risk assessment

Mr Norell used statistical analysis to determine appropriate re-inspection rates based on given deviation rates. In the field, of course, the deviation rate is not known. So before re-inspection rates can be determined for a grower group, some method of assessing the most likely deviation rate must be devised. A working method is to first determine the risk level that farmers might deviate, and then, using that information, calculate the likely deviation rate. Two factors affect the level of risk that farmers working within an ICS are deviating: (1) internal and external risks in the production area, and (2) the quality of the ICS.

#### 1) Internal and external assessment

The box on page 15 illustrates a proposal for working out risk assessment. With this tool it is proposed to introduce a system of penalty and award points for different potential risks in a grower group production system.

A maximum of 180 bonus points, and 180 penalty points can be 'scored' in this risk assessment. It is proposed that this 360-point system can be translated into the amount growers

# certification & accreditation

can be expected to be deviating, expressed as a percentage of the total growers group, as follows:

- With the full score of 180 bonus points a maximum deviation of 2% can be expected.
- In the worst case scenario, 180 penalty points would indicate a maximum deviation of 6%.

In other words, in the best case scenario 2% or less of the growers in the growers group can be expected to be violating the organic standards.

While, in the worst case scenario, the maximum violation rate is likely to be 6%.

Quite clearly the figures of 2% and 6% are at present highly arbitrary. Any evidence or experience from inspectors that may support these or other expectations would be gratefully received.

## 2) Quality of the ICS

At the February 2001 workshop different factors were mentioned that could be used as a basis on which an

ICS could be evaluated. They are written up in the proceedings of that workshop.

In summary, the outcome of an evaluation can be threefold: the ICS is working very successful, the ICS is acceptable, and the ICS is not acceptable. The consequence these outcomes have on the re-inspection rate are also threefold:

- In case of a well-managed, successful ICS, the re-inspection rate can be lowered, by say a factor of 0.8 (similar to the approach of

Circle right answer

### Internal

<i>Farmer's expectations and understanding of standards (check with at least 5 farmers)</i>	no	yes	yes, 1 or 2 items	yes, 3 or more items
Are the farmers aware that they are organic	0	10		
Can the farmer describe the basic do's of organic	-10		10	20
Can the farmer describe the basic don't of organic	-10		10	20

<i>Availability of standards</i>	no	yes basic	extensive
Does the project have its own organic standards (check with at least 3 staff and 5 farmers)	0	10	20
Are the standards available or accessible for all (staff and farmers)	-10	10	
Are the standards understandable for the farmers (local language, pictures for illiterate farmers)	-10	5	10

### *Awareness of the farmers and personnel of risks Any suggestions?*

<i>Conflicts of interest among staff (interview at least 3 staff)</i>	same village	other village	other region	no	yes
Where does the field staff live	-10	0	10		
Does staf have family relations to organic farmers he/she supervises				10	-10

### External

<i>Production system and system of surrounding areas</i>	no	yes	indifferent
Are chemicals sold in villages or nearby towns	10	-10	
If applicable, does the official extension service support organic project	-10	10	0

<i>Risk of contamination through chemical use in adjacent fields</i>	no	yes	both	not applicable
Are chemicals used in adjacent fields	10	-10		
If yes, are crops grown in adjacent field same as organic	0	-20	-10	0
If yes, are adjacent fields owned by organic farmer (other crop is grown)	0	-10		0
If yes, are adjacent fields owned by other farmers	0	-10		
If yes, do neighbours take into consideration the organic status of the farmers	-10	10		0
If yes, are there buffers between organic and conventional fields	-10	10		0

<i>Risk of buying and selling of products from and to conventional neighbours</i>	buying records covering			
	crop estimates	1year	2 years	over3 years
Harvest expectations based on	-10	0	10	20
	similar to organic	<20%	+20 to 0%	+40%
Price paid for organic product compared to conventional price in the region	10	0	-10	-20



## news shorts...

### SPAIN IS CRITICISED

In a recently published report by the EU Commission regarding the implementation of the EU regulation in Spain, fairly strong criticism is expressed. Not only does the report address the fact that Spain has not enforced the regulations regarding the use of the word 'bio', but also the inspection system itself gets criticised. The report, based on findings from a mission in December 2000, concludes that, 'Although there has been isolated strong enforcement action, enforcement overall tends to be weak, slow and lacking in transparency'. In one region, annual inspections had not been accomplished during the period 1995 to 1998. The report also noted that there is no mechanism in place whereby the central government evaluates the system in the autonomous communities. In the Spanish system the inspection is carried out by independent regional bodies, based on regional legislation. Twenty different inspection authorities are operating. Recently, one private certification body has been approved. ■

news shorts continued on page 18

IAF, see p 13). In the case of an ICS being managed highly successfully for three years, a coefficient of 0.6 may be sufficient.

- In case of an acceptably run ICS, the re-inspection rate should be based on the outcome of the risk assessment.
- In case of a poorly run ICS, certification is either refused, or all farmers will have to be inspected (100%) by the external inspector.

### Further discussion

With the help of statisticians I am presently working on a scientifically sound formula, in which the outcome of the ICS evaluation and risk assessment are taken into account. This formula was not ready for presentation in this issue of *The Organic Standard*, but may be published in the following issue.

Nevertheless, I believe this article gives enough food for thought. I am looking forward to receiving reaction to it, as that will help us to improve the tools, which will be discussed in detail during the promised follow up workshop for certifiers and competent authorities. ■

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### Footnotes:

1. Re-inspection rates refer to the proportion of farming units to be (re)inspected by the external inspector. This inspection is additional to the internal inspections that are executed by the project operator which must inspect each grower at least once a year (= 100%). A 10% re-inspection rate means that the external inspector visits 10% of the total growers groups.
2. The full text of Mr. Norell's report: *On the probability of detecting violating farmers*, can be requested at [smallholders@agroeco.nl](mailto:smallholders@agroeco.nl).
3. The International Accreditation Forum (IAF) operates a programme of conformity assessment that allows companies with an accredited conformity assessment certification in one part of the world to have that certificate recognised everywhere else in the world.
4. The aim of this document is to establish guidance for the certification of ISO 9001 based quality management systems in organisations with a network of sites, thus ensuring on the one hand, that the assessment provides adequate confidence in the conformity of the quality management system and, on the other, that such assessment is practical and feasible in economic and operative terms.
5. IAF Guidance, *On The Application Of ISO/IEC Guide 62:1996*, page 3, paragraph: 'The Aim of this document'.
6. The discussion document and the proceedings of the workshop can be requested from Agro Eco by email ([smallholders@agroeco.nl](mailto:smallholders@agroeco.nl)).

In case of a poorly run Internal Control System, certification is either refused, or all farmers will have to be inspected (100%) by the external inspector. ■