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## The wrong thing – too late

Organic labels that dominate a country's organic market are very useful tools to developing the sector. All countries with organic sales that enjoy a high market share have such a label, whether it is governmental or private. In organic trade many problems originate from differences between standards or controls, or, rather, from the *lack of acceptance* of those differences. This is accentuated by the tendency of those following a standard perceived as being higher or better than others, to capitalise on this in the market place. This is normal behaviour.

The proposed new organic regulation for the European Union (see page 1) takes a big step in the direction of a more flexible system, particularly regarding imports. As well as approving whole countries the EU will now also approve private bodies outside the EU. In both cases the system in question should be equivalent to either the EU system or in accordance to the Codex Alimentarius. This is good news. It would have been even better news if the proposal had also clearly recognised the work of IFOAM's Basic Standard in a similar way as Codex Alimentarius. This would have facilitated mutual recognition between certification bodies for imports.

The Commission has also attempted to tackle internal trade barriers in the EU, notably the dominance of some labels and private standards. This is being done through two measures: *the prohibition of claims* that a particular set of standards are stricter or superior than the EU Regulation, and the *obligation* for authorities and certification bodies to grant certificates or use of their mark to any product certified by another control body certifying to equivalent standards.

Such strong arm tactics being an integral part of the Regulation raises a number of issues about freedom of speech and competition. Why should anybody producing to a certain set of standards be prevented from claiming that they adhere to them? This does not occur in other industries. For instance, all cars in Europe have to fulfil mandatory safety measures; despite this, cars are sometimes marketed with statements claiming they fulfil 'strict Californian emission standards', or that the car has passed the 'safety test of NN institute'.

It is easy to find examples in the food market as well. A cheese or wine maker may refer to standards of production that surpasses the regulatory minimum, whether they are their own standards or the standards of a third party. The proposed EU Regulation shows the Commission fails to recognise that competition is not only driven by price but also by quality, and that some quality aspects can most effectively be communicated by reference to a set of standards. The Commission argues that these rules will improve competition between control bodies, but does not explain how. Assuredly they have got this wrong; such rules will diminish competition in quality requirements between producers.

Making a private certification body *have to* accept products certified to another standard belongs more to a command-economy than a market-economy. The objective of reducing obstacles to internal trade based on petty differences in standards is commendable. However, this is already happening through market forces (multiple retailers) and peer-pressure (developments within IFOAM and the certification bodies) and the Commission should have more faith in this development. This part of the Regulation, if ever approved, will most likely become a 'white elephant' and will probably never be enforced. However, it would be wiser to scrap it altogether.

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