

Importance of a National Organic Standard

Executive Summary

This paper summarizes the history of the process for developing an organic standard in Canada, provides information on the development of regulations in other countries, summarizes the standard development process and outlines the procedure for how a certification body gets accredited under the National Organic standard.

Organic food is one of the fastest growing segments of the international food market. Both production and consumption around the world have been expanding rapidly. There are currently no regulations in Canada on the productions and sale of organic food, or a nationally recognized and widely used organic standard. Maintaining a variety of regional standards allows confusion in the marketplace and creates a potential for fraudulent activities. This hurts the credibility of the industry, and embeds excess costs in the supply chain (i.e. product certified by different certification bodies (CBs) may need to be handled separately). The lack of an internationally recognized standard also acts as an inhibitor to trade with other countries. Any problems with the organic industry have a major impact on Saskatchewan, since it is the largest producer of organic food in Canada.

A standard for organic food has been sought by the Canadian industry since the 1980's. The standard development process officially began with the Canadian Organic Unity Project in 1990, which later led to the formation of the Canadian Organic Advisory Board (COAB). In 1995, a plan to regulate the industry was offered by the federal government but it was rejected by the industry. COAB then sought to become an umbrella certification body through the Canadian General Standards Board (CGSB), a move that divided the industry. Eventually, the Canadian Organic Standard was completed in 1999, which is being redrafted in 2002. The present standard is based on ISO Guide 65 (the same as used in the EU) and many of the rules are based on the guidelines set out by Codex Alimentarius. However, it is not widely applied. Only one CB is accredited under the SCC standard with another in the midst of the application process.

There is a worldwide movement to develop standards and regulations for organic agriculture. International bodies such as IFOAM, Codex Alimentarius and International Organization for Standardization (ISO) have been instrumental in the international standardization of the organic industry. In the US, regulation moved from a regional scale to a national program for two decades, beginning in the early 1970's. By 1990, a plan was devised to create the Organic Foods Production Act, which eventually led to the USDA National Organic Program (2002). The EU introduced regulations in 1991. The EU has been in support of organic agriculture because it conforms with stated policy goals to promote quality products and the integration of environmental conservation into agriculture. Japan introduced voluntary standards on organic food in 1992, but these had no impact on the industry, so in the late 1990s Japan introduced organic regulations through the Japan Agricultural Standard. Australia regulates its organic exports through a combination of laws and committees, and a movement exists to regulate the domestic organic industry there as well.

In Canada, the standard was developed by the CGSB and approved as a national standard by the Standards Council of Canada (SCC). The CGSB is one of four accredited standards development organizations under the SCC. The SCC is a federal Crown corporation with the mandate to promote efficient and effective standardization of goods and services to protect consumers and reduce trade barriers. SCC is also the representative for Canada in ISO.

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Abbreviations

AAFC	Agriculture and Agri-Food Canada
ACCA	Advisory Committee on Conformity Assessment
AOS	American Organic Standard
AQIS	Australian Quarantine and Inspection Service
BNQ	Bureau de Normalisation du Quebec
CAP	Canadian Agricultural Producers Act
CAP	Common Agricultural Policy (European)
CBs	Certification Bodies
CCOF	California Certified Organic Farmers
CFIA	Canadian Food Inspection Agency
CGSB	Canadian General Standards Board
COAB	Canadian Organic Advisory Board
Codex	Codex Alimentarius Commission (Food Law)
COG	Canadian Organic Growers
CNOC	Canadian National Organic Coalition
CSA	Canadian Standards Association
EU	European Union
FAO	Food and Agriculture Organization (United Nations)
IFOAM	International Federation of Organic Agriculture Movements
ISO	International Organization for Standards
JAS	Japan Agricultural Standards
MAFF	Japan Ministry of Agriculture, Food and Forestry
NOP	National Organic Program (American)
OFPA	Organic Food Production Act (American)
OFPANA	Organic Food Production Association of North America
OPAC	Organic Produce Advisory Committee (Australian)
OPEC	Organic Produce Export Committee (Australian)
ORGAV	Organic Retailers and Growers Association of Victoria (Australian)
SAF	Saskatchewan Agriculture and Food
SCARM	Standing Committee on Agricultural Resource Management (AUS)
SCC	Standards Council of Canada
SDOs	Standard Development Organization
SIP	Standards Initiative Program
SOD	Saskatchewan Organic Directorate
OTA	Organic Trade Association
ULC	Underwriters Laboratories of Canada
USDA	United States Department of Agriculture
WHO	World Health Organization
WTO	World Trade Organization

1.0 Importance of a National Organic Standard

Organic food is one of the fastest growing segments in the international food market. The organic movement captures consumer trends toward non-genetically modified, environmentally friendly foods and more “natural” lifestyles. In Canada alone, the organic industry is worth an estimated one billion dollars (year 2000 figures). Retail sales have grown by approximately 20% a year (Sparks 1999), and from 1990 to 1995 organic production increased by 300% (Porter et al. 2001). Growth has been facilitated by recent food scares such as “mad cow” disease in beef, and foot and mouth disease in sheep. As a result, the organic industry has moved from a small niche market into the mainstream market.

The issues facing the organic industry in Canada are widely felt in Saskatchewan, as the province is the largest producer of organic food in Canada. Saskatchewan had 495,200 acres of organic cropland grown in 2000, with approximately 1200 organic producers. The main crops produced are spring wheat, durum, oats, flax, lentils, wild rice and pasture for organic livestock production. Organic livestock production mainly consists of organic beef (SAF 2001).

The Canadian organic industry faces particular challenges that threaten its expansion. To date, it has been primarily self-developed and self-regulated. In order to maintain its growth, government intervention will be necessary to provide infrastructure and add credibility to the industry. The major problem is that there are no regulations in the organic industry for production, packaging, marketing or labeling. In Canada, there are currently over forty different organic standards. This has led to confusion in the marketplace. While there have not been any documented cases of chemically treated food being sold as organic in Canada, the potential risk of fraudulent activity is enough to hurt the integrity of the industry. The opportunity exists for goods to be intentionally misrepresented as organic in order to capture premiums. If consumers are uncertain about what they are buying, they may be reluctant to pay a premium or purchase organic goods. Multiple standards also create supply chain problems because grain merchants are often required keep grain verified by different Certification Bodies (CBs) separate. Thus, they are unable to take advantage of economies of scale.

Lack of regulation can also act as a trade barrier. Presently, Canadian organic producers may have to become certified by foreign CBs, at their own expense, in order to sell their products in foreign markets. Many countries have already established regulations restricting imports of organic food. With no enforceable regulations in the Canadian industry, foreign buyers can be reluctant to buy Canadian organic goods, because there is less confidence that the good meets their domestic organic standards. Canadian producers may further lose their competitive advantage if domestic organic retailers choose to deal with more efficient foreign processors that offer lower prices for organic goods.

Because individuals cannot make agreements with other countries, the government is a key component of any future growth in the industry. A credible and widely used standard is needed to allow governments to negotiate equivalency agreements and prevent discrimination against Canadian organic products.

2.0 Developing an Organic Standard in Canada

In 1990, a group of organic producers approached Agriculture and Agri-Food Canada (AAFC) for aid. They sought to address the proliferation of competing regional standards in the industry; lack of recognition of these standards by (European) importers; and concern over a possible loss in integrity of the word “organic” in the eyes of consumers. In response to this request, industry stakeholders created the Canadian Organic Unity Project, which established the Canadian Organic Advisory Board (COAB) in 1992. COAB is an accreditation body using a regulatory approach, and is referenced in the Canadian Agriculture Producers (CAP) Act. COAB was designed as a non-profit organization to represent all industry stakeholders and give the industry one voice when dealing with different levels of government. A voluntary board of directors, elected by COAB’s members, represented the organization (COAB 2002).

From 1990, both consumption and production of organic food expanded at an extremely fast rate, and the industry became convinced that increased regulation was necessary. This was partly in recognition of a trend towards regulation in other countries. For example, the EU passed regulation (EEC) No 2092/91 and the US passed the Organic Foods Production Act (1990).

In 1995, the AAFC developed a draft proposal on how the organic industry could be regulated. AAFC’s proposal included a plan to pass legally binding legislation on the marketing of organic food. After circulation of the draft, the industry felt there was too much government involvement and not enough input from COAB. The industry chose not to endorse the AAFC’s proposal, instead opting to seek alternatives (Porter et al. 2001). COAB was given three objectives for developing a standard: one, to develop industry standards that ensure the delivery of organic products to the end buyer; two, to develop a certification mechanism that allows for a control process that ensures compliance to organic standards; and three, to reference the whole process in regulation, at the discretion of the organic industry and AAFC. The development of the standard was seen as important to keep pace with the standards in other nations and be able to ensure market access in those countries (Porter et al. 2001).

In 1996, COAB suggested creating a voluntary standard and accreditation process, in order to facilitate a self-regulated system (Porter et al. 2001). COAB and the Canadian Food Inspection Agency (CFIA) contracted the Canadian General Standards Board (CGSB) to formulate a standard that would meet the criteria of the Standards Council of Canada (SCC). The CGSB is an organization within the federal department of Public Works and Government Services Canada. It is an accredited standard development organization under the Standards Council of Canada (SCC) and the National Standards

System. The Canadian standard is based on the (international) Codex Alimentarius standard for organic food. The purpose of Codex Alimentarius (Latin for food law) standards is to guide and promote the elaboration and establishment of definitions and requirements for foods, assist in their harmonization and ultimately to facilitate international trade (LeGuillou and Scharpé 2000). The standard should be set up in order to process an application under the ISO/IEC Guide 65 scheme, which defines the general requirements for bodies operating product certification systems.

COAB also submitted a proposal to the Standards Initiative Program (SIP), administered by Industry Canada. Industry Canada was to provide \$300,000 to fund the project. Most provinces agreed on the initiative, with the exception of BC and Quebec (Porter et al 2001). BC already had a voluntary standard in place for all products labeled BC organic. Quebec had standards further mandated into regulations (all organic products sold in Quebec, produced domestically or imported, must meet the Quebec standard). Both provinces felt their standards were superior to the proposed ones.

In the period between 1997 and 1999, the COAB standard was completed. The first “final draft” was rejected by the industry. A revised draft was accepted, although not unanimously. The industry cited concerns including:

- insufficiently strict standards;
- the focus was too market orientated;
- a possible loss of market for existing certification bodies;
- existing certification bodies could “come under scrutiny” of the industry governing body (Porter et al. 2001).

However, the SCC sanctioned CGSB’s standard as the National Organic Standard of Canada (Can/CGSB-32.310-99 April 19, 1999). The standard remains an open document for five years, with a mandatory review at the end of that period. The standard was completely redrafted in 2002, due to the changing environment of the organic industry.

In 1999, COAB designed another strategy to unify the industry’s regional standards into one national standard. COAB’s plan was to have itself become accredited under the SCC as a certifying body. It could then function as a central coordinating body for all the independent CBs in Canada. Producers could become certified by an independent CB, which would then send their inspection reports to COAB, to ensure equivalency with the National Standard of Canada. All products certified under this system would receive a Canadian Organic Label (Hymers 2002). Certifying all organics under one label would then unify the organic industry in Canada and allow the industry to communicate to the consumers exactly what a Canadian produced organic food is. The industry became split over the issue of making the COAB a central coordinating CB. Those who supported the idea felt the plan would provide one clear voice to consumers and various levels of government. Others felt threatened that COAB would take away the independence of the already established CBs.

COAB applied to the SCC for accreditation before consensus was reached. The application process became mired when the organization ran out of government funds

and no private money was offered to continue the accreditation process. Beyond this, COAB was facing legal action from certain independent CBs, which claimed that COAB was functioning out of its jurisdiction (Hamm 2002). COAB has not held a meeting since.

When no national or provincial group emerged to represent producers, Saskatchewan Agriculture and Food called a meeting to find some common ground for the industry. In Moose Jaw, 2001,

Saskatchewan producers agreed on 11 principles, referred to as the Moose Jaw Principles, involving the standard and standard-making process (Hodgins 2001).

Also in 2001, the federal government announced \$600 000 of funding to aid in the growth of the organic industry and encourage the adoption of the SCC accreditation. \$375 000 has been issued in the form of an Organic Accreditation Assistance Program, \$130 000 to publish the Organic Field Crop Handbook and \$100 000 to help fund the International Federation of Organic Agriculture Movements

World Congress in Victoria BC. The Organic Accreditation Assistance Program is encouraging the various CBs to become accredited by the SCC program. They have affirmed that all CBs will receive equal government support, regardless of their size and scope, and offered to absorb half their accreditation cost (up to \$25 000). This program is to be administered through Agriculture and Agri-Food Canada. To be eligible for government funds the CB must be accredited by December 31, 2003 (AAFC 2001).

As of 2002, SCC has accredited Pro-Cert/OCCP, and the Organic Producers Association of Manitoba is in the application process (SCC 2002). This accreditation has not, to date, resulted in easier market access for the producers involved. No equivalency agreements with other countries' standards have been negotiated. Apparently, the standard lacks credibility since most importing countries are looking for regulated industries. Regulations, rather than a voluntary standard, offer a legally binding framework of the integrity of the organic food being purchased. Many CBs are opting to become accredited by the USDA National Organic Program (NOP) instead. Because of an existing equivalency agreement, NOP accredited CBs have access into the Japanese market as well. Negotiations between the EU and Canada to form an equivalency

The Moose Jaw Principles

1. A unified industry model must be used.
2. The process must be industry driven and established as soon as possible.
3. A national council with fair representation of all stakeholders must be established.
4. The process must be referenced in legislation over time.
5. The system must be affordable and competitively priced.
6. It must be accessible to all stakeholders.
7. Short term funding will be required for establishment of the system.
8. A national system for equivalency must be recognized world-wide.
9. Any system must apply to the entire organic system, from farmer to retailer.
10. There must be a Canadian industry identifier.
11. Better communication must be established among all stakeholders.

agreement are scheduled for the fall of 2002. The negotiation should be facilitated by the fact that both standards are structured so that ISO/IEC Guide 65 can be applied (Hamm 2002).

In 2002, the process to redraft the standard Can/CGSB-32.310.99 began. The CGSB continues to try and harmonize the Canadian standard with all prominent international standards. This will be the first time the standard has been modified since it was approved as the national organic standard of Canada (Hymers 2002).

Also in 2002, the Canadian National Organic Coalition declared themselves an operating body. Each province sends a representative from a provincial organic association, plus one representative is assigned from Canadian Organic Growers, one from the Organic Trade Association, one from the academic community, one from government and one representing the interests of CBs. CNOC's mandate is to represent the organic sector to government, media and elsewhere that is required (SOD 2002). CNOC has limited funds, and only a minimum amount of services will be offered. The bulk of operations will be left to provincial associations. Only time will tell whether or not CNOC will become a credible and truly national body, and it is uncertain what the level of support from organic producers and CBs will be.

The Saskatchewan Organic Directorate (SOD) is the representative from Saskatchewan. The SOD was designed to represent the Saskatchewan industry, although only approximately 50% of the Saskatchewan organic producers are members. The SOD had previously voiced support for COAB's plan. This proved to be a problematic move when some members complained that SOD had not offered sufficient active and financial support to COAB's proposal, and subsequently withdrew their membership. SOD has since focused support on the formation of the new National Organic Coalition.

The organic industry remains fractionalized today. With no common provincial or national organic association, there is no single industry voice speaking to government. While a one common national standard is stalled in development, trade agreements with other countries remain elusive. For example, under the present system grain merchants continue to keep grain certified by different CBs separate, and pay to have their products certified by foreign CBs in order to gain market access into those foreign countries.

Canadian CBs are instead opting to become accredited by the USDA NOP, as this gives producers market access to more countries and is a less expensive accreditation process compared to the SCC standard. As a result, the NOP may become the standard for the Canadian organic industry. If this occurs, Canada could lose its sovereignty dealing with certification and accreditation issues, which could have further negative effects on the Canadian industry.

3.0 History of Foreign Organic Standards

3.1 International Bodies

Many neutral international organizations are involved in the standard-making process. Most are trying to reduce trade barriers among countries to help the organic industry grow. These international organizations have been instrumental in the growth of the industry.

The International Federation of Organic Agriculture Movements (IFOAM) is a worldwide umbrella organization of organic groups, representing about 760 member organizations and institutions in 105 different countries. IFOAM's mission is to represent the worldwide movement of organic agriculture and provide a platform for global exchange and co-operation (IFOAM 2002). IFOAM was established in 1980 and has been instrumental in the development of many organic standards and regulations in many countries (Le Guillou and Scharpé 2000).

The Codex Alimentarius Commission (Codex) is an international organization under the United Nations. Its mission is to promote the application of food standards throughout the world. Codex develops standards, codes of practice, guidelines and recommendations drawn up under the joint Food and Agriculture Organization/World Health Organization (FAO/WHO, United Nations) food standards program to ensure food safety and fair practices in the food trade. Codex developed guidelines for the production and marketing of organic food in 1999 (Le Guillou and Scharpé 2000). Japan and Canada have adopted many of Codex's guidelines in the development of their national standard for organic food. FAO has also developed rules for organic agriculture, primarily for developing countries.

The International Organization for Standardization (ISO) is a non-governmental organization and a worldwide federation of national standards bodies, from more than 140 countries, that promotes the development of standardization for all types of products and processes. ISO/IEC Guide 65 is the basis for accreditation of all product certification bodies in industry (no specific standard for organic agriculture has been developed). In order to be compliant with ISO, an accreditation program must be impartial, have a quality system in place, show no conflict of interest, and provide confidentiality, procedures for appeals and complaints, and surveillance (Sparks 1999).

The EU has used the ISO/IEC Guide 65 in their organic regulations. Canada has also based its conformity assessment on ISO/IEC Guide 65. Overall, it is important to realize that organic food guarantees the process of certifying how it was grown, not that the product is chemical residue-free. Therefore, ensuring the process is more applicable to organic certification. For example, organic agriculture certification system could be based on ISO/IEC Guide 62, which is the general requirements for bodies operating assessment and certification/registration of quality systems, rather than the certifying agency. (Schnell 2002).

3.2 US Organic Standard

In the early 1970s, individual states began to develop their own organic legislation and certification rules. California Certified Organic Farmers (CCOF) became the first CB in the US. This development led to the Californian government to create the Organic Food Act in 1979. Similar movements were going on in Oregon and the north-eastern states. The demand for a unified national industry was apparent by the late 1980s. In 1984 the Organic Foods Production Association of North America (OFPANA) was formed (OFPANA later became the Organic Trade Association). This small private organization began to lobby the federal government for regulation in the industry. The industry sought to define the term “organic” and confirm it in legislation. In response to OFPANA’s lobbying, the USDA tried to develop legal protection for the organic label in the late 1980s. There was very little consultation of the entire industry and as a result the legislation did not pass Congress.

Two national organic associations (one for farmers and one for processors) were created and together, with the involvement of OFPANA and a coalition of consumers and environmental groups, successfully lobbied the government to draft legislation on organic food. After several major rewrites and consultations with the industry, the Organic Foods Production Act (OFPA) was passed and signed by President George Bush in 1990. The government was to appoint a National Organic Standards Board, which would have regulations on organic food in place by 1993. That deadline was never met. It took two years to appoint a board, since no one in the USDA had any experience in the organic industry. The resulting board was forced to work very closely with the private organic sector (Vaupel 2001). In 1994, the Secretary of Agriculture was sent a proposal to introduce national regulations with a deadline of 1997. The proposal was accepted. A first draft was introduced in 1997 and provoked over 275,000 complaints, the most ever processed by the USDA for one issue. The faults that gained the most attention were allowing genetically modified organisms (GMOs), irradiation and bio-sludge in production of organic foods.

In 1998 the USDA released the American Organic Standard (AOS), which was based on ISO 65, allowing easier access to the EU. This AOS was designed as a voluntary standard administered by the USDA on a cost recovery basis. In 2000 the USDA released a redrafted version of the ill-fated 1997 standard. This was the USDA National Organic Program (NOP) standard, which is set to become regulation in October 2002. After that point, it will be illegal for anyone to sell something as organic that has not been certified by a CB accredited by the NOP (Vaupel 2001). It should be noted that an exception is made if gross sales are below \$5 000 per year (US), and beef cannot currently be sold as “organic beef”. Because of this, the organic beef market is presently very limited. Most health food stores have opted for selling “natural beef”, meaning beef produced without the use of hormones or feed antibiotics (Sparks 1999). Overall, the Standard has been embraced by the industry. However, today there is no national organic association in the US and as a result not as many concerns of the organic industry are being heard.

The USDA NOP label is expected to unify the industry and increase consumer understanding of the meaning of the term organic. The USDA NOP has also worked out an equivalency agreement with the Japan Agriculture Standard (JAS). This allows easier access into the Japanese market for US producers. As previously mentioned, many Canadian CBs received accreditation from the NOP to ensure access to the US market for Canadian organic goods, since the US is one of Canada's major export markets.

3.3 EU Organic Standard

In June of 1991, the EU Council adopted Regulation (EEC) No 2092/91 on organic production of agricultural products. The organic regulations were introduced as part of the reform of the common agricultural policy (CAP). By that point, CAP had broadly achieved its original aim of obtaining a largely self-sufficient food supply. The policy therefore shifted towards other aims, such as the promotion of quality products and the integration of environmental conservation into agriculture. Both these objectives involved major development potential for the organic farming sector. Since the regulation came into force in 1991, there has been a considerable increase in interest in organic production and consumption (LeGuillou and Scharpé 2000).

In adopting Regulation (EEC) No 2092/91, the EU Council created a Community framework, defining in detail the requirements for agricultural products or foodstuffs bearing a reference to organic production methods. These regulations define methods of agricultural production for crops and livestock, labeling, processing, inspection and marketing of organic products within the EU, and the import of organic products from non-member countries (LeGuillou and Scharpé 2000).

Unlike what is widely perceived, not all EU member states have a mandatory accreditation for organic CBs. Austria, Belgium, France, Iceland, Luxembourg, Norway, Netherlands, Spain and Switzerland do, while Germany, Greece, Ireland, Italy, Portugal, Sweden and the UK do not. All member states' governments have major roles in the organic industry and are very supportive of the organic movement (Rundgren 2002). The various EU member state's organic industries differ in structure. For example, Germany and France have many different CBs, but both countries recently introduced an umbrella label to increase clarity to consumers. The Netherlands, Norway and Spain have only one CB each. England, Belgium, Portugal, Sweden and Switzerland have a few CBs but only one each that is widely recognized by consumers. Each country's label has been developed to inspire consumers trust, and often requires that the product must be mostly produced in that country; therefore the labeling tends to act as a trade barrier. In response to this, the EU has released its own label. It is not widely in use, as the label requires that all ingredients in the product be sourced from the EU, and the reality is most organic ingredients are not widely available within the borders of the EU.

When Regulation (EEC) No 2092/91 was updated in 1999, it was decided to further harmonize the inspection systems within the EU organic industry. Another major change in the revision was the extension of its scope to regulate organic livestock production

(LeGuillou and Scharpé 2000). Problems with trade barriers among member states still exist today, and will continue to inhibit full harmonization (Rundgren 2002). However, organic agriculture fits well with the policy goals of the EU, and therefore will continue to find support.

3.4 Japan Organic Standard

The Japan Ministry of Agriculture, Forestry and Fishery (MAFF) released guidelines in 1992 concerning organic production and labeling. These were voluntary standards and had little or no effect on the industry, as most of the CBs were already established and did not need to be accredited by this program. Since there was also large amount of organic food being imported (Sakuyoshi 2001), nothing changed with the introduction of the standard.

Near the end of the decade, MAFF decided to regulate the organic industry under the already established Japan Agricultural Standards (JAS) law. The standard was based on the Codex Alimentarius guidelines, and all CBs were required to become accredited under the JAS program. CBs are now referred to as Registered Certification Bodies (RCBs). There are currently two ways a foreign country can export to Japan: one is for the foreign company to get certified by a RCB or a foreign RCB; the second is if a foreign country has established an equivalency agreement with the JAS. The USDA NOP has made an equivalency agreement with the JAS, so NOP accredited products cannot be restricted access into Japan (Sakuyoshi 2001).

The standard was referenced into regulation so quickly that there was little time for discussion between government officials and producers and processors, and consumers had little understanding of what the JAS symbol meant. As a result, MAFF extended the grace period on production and imports. It ended in March 2002, so the law is now in full effect (Sakuyoshi 2001).

3.5 Australia Organic Standard

In Australia, many different acts are involved in the regulation of organic exports. The National Standard for Organic and Biodynamic Produce (1998) details minimum requirements for production, processing and labeling of organic produce. The Export Control Organic Produce Certification Orders (1997) make it illegal to export organic produce without a government-to-government certificate. The Export Control Act (1982) provides control over the export of primary produce and provides for the fundamental powers of inspection by Australia Quarantine Inspection Service (AQISa 2002).

Foreign countries recognize AQIS as a “competent authority” for importation purposes to their countries, and as an impartial monitor of food safety and legality that ensures Australian food exports are of an internationally accepted standard. AQIS therefore facilitates the export of Australian agricultural food products by providing information, inspection and certification to meet overseas country requirements (AQISa 2002). AQIS has worked to achieve “third country” listing for the importation of Australian organic

product into the EU since the early 1990s (Kinnear 2000). This is basically an equivalency agreement between the EU and Australian standard. Canada and the US are not on this “third country” list.

Standardization of the Australian organic industry began in the early 1990s when the Organic Retailers and Growers Association of Victoria (ORGAV) approached the Victorian government for aid in setting up an organic standard. The Victorian government suggested a national approach and they assisted the industry in discussions with the federal minister of agriculture. As a result, a committee was set up to develop a standard, known as the Organic Produce Advisory Committee (OPAC).

The OPAC meetings were chaired by the Australian Quarantine Inspection Services (AQIS). AQIS is a government organization that has the dual role of providing consumer protection and facilitating trade by providing a sound, scientifically based and cost-effective quarantine and inspection service. Some of AQIS’s roles are inspecting and certifying food products for export, assisting export of Australia's agricultural and fisheries products by providing information and services to exporters, and contributing to the development of national policies on food standards. AQIS regulates most, but not all, food exports and all food imports (AQIS 2002). The OPAC committee eventually involved members from various organizations including: a variety of CBs, the Organic Retailers and Growers Association of Australia, the Standing Committee on Agriculture Resource Management (SCARM), the National Farmers Federation, the Australian Consumers Association, and representatives from the state departments of agriculture. The work of the OPAC committee resulted in the development of a national standard, first published in 1992 and again in a revised format in 1998. In October of 1998, export control orders became law, regulating exports of organic foods from Australia. This made it illegal, with fines up to \$50,000, if produce labeled as organic without appropriate certification was exported (Kinnear 2000).

One of the recent changes in 1999 to the management of the Australian standard was the closing down of the Organic Produce Advisory Committee (OPAC). Its successor is the Organic Produce Export Committee (OPEC), which AQIS now uses to consult with the Australian organic industry. OPEC provides a forum where operational policy, administrative and market access issues are discussed. A standards subcommittee (appointed by OPEC) has amended the Australian standard and has subsequently drafted Version Three (AQISa 2002). OPEC is focused on export issues, such as market access, rather than standard development (Kinnear 2000).

Although it is illegal to export uncertified organic food, there is no law regulating the sale of organic foods domestically (AQISa 2002). Domestic production of organic food and sales occur through the large wholesale markets within Australia. They have largely followed a voluntary code of practice where AQIS-accredited CBs dominates the domestic market. There is currently a movement in Australia to implement domestic regulations. If this proceeds, Australia is well positioned to implement domestic controls based on the current dominant system of certification and accreditation for exports (Kinnear 2000).

Appendix 1: The Development of the Standard in Canada

The process to make up a draft for a standard is quite short. The standards committee will meet only three times prior to approving the standard. Circulation of the draft among the industry, and the research done by Working Groups, take up the majority of the time in the standard making process. During this time, suggestions are made to modify the standard then these suggestions are tabled when the committee meets and these suggestions are discussed. The committee must make the final draft available to the public for a 60-day review period. After the draft standard has been approved by the Standards Committee, the CGSB must ensure that all applicable standards development policies and procedures have been followed before referral to the Standards Council of Canada (SCC). The SCC reviews the process before approving the draft standard as a National Standard of Canada.

The Canadian General Standards Board was contracted to develop the organic standard in 1997. CGSB brings industry participants together on a generic platform to create standards, generally by consensus. Representatives from all areas of the industry are involved, including producers, consumers and government representatives. Over 150 industry representatives participated, although not all had voting power. Invitations were sent out to all relevant organizations within the industry and each organization was asked to have a representative to attend the meetings. If an organization was not invited, they were welcome to approach CGSB and ask them to be a part of the process.

CGSB contracted an individual to draft an original standard, in consultation with members of AAFC. Committees were formed and met in Ottawa to edit the first draft (LeBlanc 2002). Approval of the Draft Standard is achieved by consensus, which implies much more than a simple majority, but it is not necessarily unanimity. For these meetings, consensus was defined as “substantial agreement by those involved in the preparation of the standard”. In effect, an attempt must be made to resolve all objections to the Draft Standard. Of the voting members, at least 60% must return their ballots and at least 50% of all the committee's voting members must be in favor of the Draft Standard. In addition, comments can be included with the ballots. Non-voting members may also submit comments for consideration (Porter et al. 2001).

Then working groups were formed and they were instructed to extensively research certain issues that arose during the meetings. Working groups existed to review and revise sections related to their topics for: livestock (including manure), crops (including soil), processing, definitions (including practices, principles, scope and record keeping). All working groups were instructed to assign items to the future working list, for review by the committee. An editorial working group was formed to draft the next version of the committee draft standard. The committee will review the current draft and comments received to date, including the recommendations that will come from the action items assigned to the various working groups that were formed during the meetings (CGSB 2002).

On average it takes 18 months--2 years to draft a standard, 12--18 months to revise an existing standard. Besides managing the standards-development process, CGSB must ensure that all applicable standards-development policies and procedures have been followed. The Standards Council of Canada will review the process before approving the Draft Standard as a National Standard of Canada (CGSB 1999). It should be noted that any standard must be in agreement with the Feed Act, Labeling Act and any other act that is under the jurisdiction of the CFIA (Porter et al 2001).

The same process is being followed for the re-draft of the National Organic Standard in 2002. The editorial working group is presently editing the new version of the committee draft standard. The final draft should be released during late summer or early fall 2002.

Appendix 2: About the Standards Council of Canada

The Standards Council of Canada (SCC) is a federal Crown corporation with the mandate to promote efficient and effective standardization of goods and services to protect consumers and help reduce trade barriers. The SCC was established by an act of Parliament in 1970 to promote voluntary standards in Canada. The organization reports to Parliament through the minister of industry. The SCC has the mandate to co-ordinate and oversee the efforts of the National Standards System, which includes organizations and individuals involved in voluntary standards development, promotion and implementation in Canada (i.e. the Canadian General Standards Board). It is independent of government in its operations, although it is partially funded by the government. The SCC includes members from the government and the private sector (SCC 2000).

The SCC has accredited over 250 organizations. Some of these organizations develop standards, others are conformity assessment bodies which determine the compliance of products or services to a standard's requirements. The SCC also represents Canada in international standardization activities. The SCC co-ordinates the contribution of Canadians to the two most prominent voluntary international standards development forums: the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). ISO and IEC standards are often adopted by countries as voluntary standards, or included in national rules and regulations. Many trade agreements, including the World Trade Organization (WTO), adopt international standards wherever possible. ISO is a federation of national standards bodies from more than 140 countries, one from each country. ISO is a non-governmental organization established in 1947. The mission of ISO is to promote the development of standardization and related activities in the world with a view to facilitating the international exchange of goods and services, and to developing co-operation in the fields of intellectual, scientific, technological and economic activity (ISO website). IEC is a similar type of organization (IEC website). The SCC encourages the adoption and application of international standards. In addition, the SCC is involved in efforts to establish mutual recognition of its accreditation programs for conformity assessment organizations with similar bodies in other countries. This effort facilitates the movement of goods and services across borders. (SCC 2002)

Accredited standards-development organizations may submit standards to the SCC for approval as a National Standard of Canada. This designation indicates that the given document meets criteria that are important to many of the standards users. For example, a National Standard of Canada must be developed by consensus of a balanced committee representing producers, consumers and other relevant interests. It must undergo a public review process, be available in both official languages and must not be framed in such a way that it will act as a restraint to trade. Further, the standard should be consistent with or incorporate appropriate international standards as well as pertinent national standards (SCC 2000).

Standards are developed for SCC by four Accredited Standards Development Organizations (SDOs): Canadian General Standards Board (CGSB), Canadian Standards Association (CSA), Underwriters Laboratories of Canada (ULC) and Bureau de Normalisation du Quebec (BNQ). The organic standard was developed by CGSB. After the completion of the standard development process, these SDOs apply to the SCC for standard approval. If the SCC approves the standard it becomes a National Standard of Canada (SCC 2002).

Appendix 3: About the Canadian General Standards Board

The Canadian General Standards Board (CGSB) is an organization within the federal department of Public Works and Government Services Canada and National Standards System. CGSB offers a wide range of standardization and conformity assessment services to meet client's needs and support the Government of Canada's economic, trade, regulatory, procurement, environmental, health and safety, and quality interests (CGSB 2002).

Membership on a standards committee is derived from three main groups of stakeholders: producers, users, and general interest. Membership on a standards committee is open to individuals and representatives or organizations that are technically qualified or otherwise knowledgeable in the subject area of the committee. Committee activity begins with an invitation from CGSB to individuals and organizations calling for members. The list of potential members is compiled from many different sources, including various levels of government, lists of associations, and Internet searches. Replies to this invitation may contain suggestions for other potential members. Other individuals or groups may indicate their interest by contacting CGSB directly (CGSB 1999).

A committee comprises two types of members: voting members and information (non-voting) members. Committee membership is reasonably balanced so no single category of interest represented (producer, user, general interest) can dominate the committee. The Canadian National Organic Standard was developed through the CGSB Standards Committee on Organic Agriculture, which comprises various technical experts who provided broad-based input (CGSB 1999).

Appendix 4: Accreditation Procedure for Certification Body in Canada

This section summarizes the accreditation procedure for CBs in Canada. The following is a summary of accreditation programs: Application Process for Certification Bodies, Companion Handbook to CAN-P-3 and CAN-P-1500 and Accreditation Programs: Requirements and Procedures for Suspension and Withdrawal, Complaints, Appeals and Hearings, CAN-P-15. Mark Schnell, Business Development Manager Saskatchewan Industry and Resources also provided information in the summary of the accreditation process.

The Application Process

Before the CB submits a formal accreditation application to the SCC, the CB should informally inquire to the SCC about getting accredited. SCC will make sure the CB is eligible to be accredited. The application package is then sent to the CB. The application should include the scope and subject areas, response to the requirements and conditions (as set forth in the most recent editions of CAN-P-3 and CAN-P-1500), an example of the certification mark and a cheque made out to the SCC for a non-refundable application fee. CAN-P-3 is exactly the same process set out in ISO/IEC Guide 65. CAN-P-1500 describes additional Canadian requirements for accreditation of a CB, added on to the ISO/IEC Guide 65 requirements.

The completed application is followed by a pre-assessment. SCC selects an assessment team, usually made up of three people (two from Task Group Certification (TGC) and one SCC staff member). Applicants are notified of any deficiencies in their application, and a meeting may be arranged between the CB and the SCC. Note that the applicants must also get their certification mark registered with the Trade Marks Branch, Canadian Intellectual Property Office and Industry Canada.

Then the team conducts an on-site assessment of the CB to confirm compliance, normally the head office. They watch the CB's auditor do an on-farm audit. Usually one audit is done for each type of certification procedure (for example, one grain farm audit, one livestock operation audit and one processing facility audit). The team drafts an assessment report, which will be shown to the applicant. SCC finalizes the report and forwards it back to the CB. The team verifies the CB's response to make sure of the reports completeness and makes notice of another visit if needed.

The team then forwards the report to Task Group Certification. The TGC meets with the Advisory Committee on Conformity Assessment (ACCA). TGC is a pool of auditors and ACCA is an industry driven group. In this step usually only the members of these groups that are specialized in that area will review the report and approve it, make recommendations to improve the application or discard the application all together. They will then decide whether or not to recommend accreditation to the SCC Director of Conformity Assessment. If TGC and ACCA approve the application, the SCC Director of Conformity Assessment will review the report and makes a decision whether or not to

recommend accreditation to the SCC's Board of Directors. The SCC Director of Conformity Assessment makes sure that the proper process was followed. Then the SCC votes on whether or not to approve the accreditation. This last step is the final level of approval to ensure the proper process was followed.

The SCC then forwards a certificate of accreditation and a president's letter of accreditation to the newly accredited CB. The SCC also prepares a notice of accreditation, including scope, on the SCC website. The Base accreditation fee is then payable to the SCC and that fee is paid annually. SCC updates the electronic Directory, which needs to be sent an electronic or camera-ready copy of the certification mark, and the CB signs a license agreement to use the SCC logo.

The cost of the initial application is \$15,000 plus \$1,000 per person per day who works on documents related to the application. If the CB applies to the SCC before December 31, 2003, the CB is eligible to receive a reimbursement from the government of Canada of 50% of the cost of the application fees (up to \$25,000). This does not include the costs incurred by the CB putting together the application. The process took place in approximately 18 months for the only successfully SCC accredited CB (Pro-Cert/OCCP).

Annual Audits

Annual audits are done each year, usually around the month the CB was originally accredited. SCC selects a team (one member from TGC and one from SCC staff). A date is agreed upon and the CB sends updated information from the last audit. They will perform the same audit as when originally audited and follow up on any resolutions of complaints. The team will prepare a report and forward it to the TGC. TGC will review the report with the ACCA. Then they will vote on whether or not to maintain accreditation status for the CB. SCC follows the same process as the original assessment except the voting/recommendation process stops at the SCC Director of Conformity Assessment. The client is then notified, in writing, of their continued accreditation. The audit team will perform annual audits usually at the head office but they may rotate to the CB's other facility. The annual fee is \$9,000 plus .0025 multiplied by the CB's gross annual certification revenue. The total may not exceed \$45,000.

Change in Scope

If the CB wishes to extend the scope of accreditation it must make a written request to the SCC. The CB will make a request to the TGC. If the request is a simple interpretation that falls in the existing scope of accreditation, SCC will inform the CB in writing of its decision. If the TGC determines it is a minor extension of scope, the TGC will assess the technical abilities, experience, etc. A decision will be made by TGC and ACCA then approved by the SCC Director, Conformity Assessment. For a major extension the SCC would treat it like a new application. Any change in scope would be posted on the SCC website. The SCC usually co-ordinates any extension of scope with the annual assessment. The TGC may also consult a third party (client, another CB etc.) about whether or not extended scope should be granted to the inquiring CB.

Suspensions and Withdrawals

An accreditation may be voluntarily withdrawn or suspensions may be issued for inappropriate conduct at any time. A CB can terminate its accreditation at any time with a written notice to the SCC. Unpaid fees must still be paid. In some instances, a third party may wish to lodge a formal complaint to the SCC, demanding that a CB's accreditation be suspended. The complaint could also be toward the SCC application process. The complaint must be done in writing but a verbal complaint can be made to let the SCC a formal complaint is coming. The complaint should be addressed to the SCC's executive director, and then he will refer it to the appropriate director. If the complaint is not directly dealing with the processing and approval of accreditation, the complaint will be sent to the SCC's quality manager. If a complaint is concerned with Standard Development Organizations (SDOs), it will be processed by SCC's director of standards. The executive director will deal with issues arising from the complaint process. The designated manager will then process the complaint. If possible the complaint should be solved through discussion, negotiation etc. before issuing a suspension.

For suspensions, the senior program officer will notify the CB. The CB then has 30 days to take corrective action. The corrections must be sent in writing to the SCC. The CB then has 60 days after the correction date to implement the changes that were supposed to be made. After that, the CB is suspended until the corrections are made. If the manager processing the complaint feels that an immediate suspension is needed, he/she must forward the concern to a SCC task group for approval, then to the director of conformity assessment.

The CB has the right to appeal the suspension within 30 days. If no action is taken within 30 days the SCC accreditation will be withdrawn. Regulatory/ safety authorities will notify the CB in writing of the suspension. When the CB is suspended it must immediately stop advertising and labeling its products as SCC accredited.

Appeal Process

If an appeal is launched the executive director will appoint an ad hoc committee of about three to five people. If the CB requests a hearing, it should happen as soon as possible. The CB must provide its argument and proof in writing. The appeal decision is final. The suspension remains in place during the appeal process. The CB must pay for the appeal in advance and it is only refunded if the suspension is overturned. The SCC is not liable for any lost profits etc. as a result of a wrongful suspension. If the appeal stands the CB must wait three months to reapply to get accredited after being withdrawn from the program. There have been no appeals under the organic standard as of 2002.

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