

Participatory Decision-Making on Behalf of Financial Sustainability

By Alice Varon



Certified Naturally Grown is a PGS in North America with 800 certified farmers and beekeepers participating. To help ensure our financial security, we recently made a significant policy change by requiring a minimum dues payment from all participating farmers. This was a big shift from our give-what-you-can policy of past years, and was done only after careful consideration. We reached this decision through a participatory process, the results of which have been incredibly valuable to the organization. Here's our story.

In the fall of 2011, entering the lean months when the renewal period is long over and few new farmers apply, it was clear that our revenue wouldn't fully cover our expenses through the winter. The results of our annual fall plea to supplement spring contributions had fallen short of our expectations. CNG continued to grow, having added 300 new members in one year, but with all these new applications and members came additional work. One and a half staff people just wasn't enough. Having returned from Korea inspired by meeting with fellow PGS committee members, I knew CNG had an important role to play and wanted to ensure it continued to develop.

Maintaining our give-as-you-can policy would put our continued operation at risk. A letter to our membership described the situation, outlining our core annual expenses. Assuming we set a more sustainable budget and that our membership would reach to 900 by the summer of 2012, I estimated the average contribution per member would have to be \$110. I then asked our members for input on how to address the situation.

The organization is now on a much firmer footing to invest in strengthening local farmers networks, offer educational programming, find additional sources of revenue, and take steps to raise our profile with the food-buying public, all critical initiatives that require time and attention in order to bear fruit.

In past years we had recommended contributions of \$50 - \$175. The actual average contribution per member was about \$75, well below the \$110 sustainability threshold identified in the letter to members. Our challenge was to secure our financial stability but avoid excluding anyone from participating on economic grounds. It was also important to keep the program administration simple and streamlined.

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Members were asked via an online survey to provide feedback on how best to meet our challenge. More than one third of the membership replied. The long-answer results made clear how much the membership values this organization, while the multiple choice answers provided a clear mandate for setting a minimum contribution. As testament to the value of the participatory process, the suggestions made in the long-answer feedback introduced a new solution that helped solve the challenge outlined above.

Of all farmers responding to the survey, 71% “supported” or “strongly supported” establishing a new minimum contribution amount, and 23% indicated “I have some reservations but can see why it’s necessary”. Only six percent were “not in favor of this change”. When asked to recommend an appropriate minimum contribution level, 83% indicated an amount of \$100 or higher, with 35% of all respondents indicating a minimum of \$125 or more.

The survey suggested two solutions to accommodate farmers with limited means. Most respondents (80%) supported allowing multiple payments over time but only 42% said we should allow smaller contributions upon request. Several members suggested an innovative solution to our challenge, recommending we set up a Scholarship Fund to which established farmers could contribute. They indicated they would be happy to contribute to this fund and support the participation of beginning farmers and those facing hardship.

Based on these results, CNG set a minimum contribution dues of \$110 per year for livestock and produce certification. Recognizing that many members would be willing and able to contribute more than this minimum, a Growing CNG Fund was established to fund projects to help raise our public profile. Members are asked to designate any “extra” contribution amounts to the Scholarship Fund and/or the Growing CNG Fund.

Our members have followed through on their own suggestion. To date the Scholarship Fund has received nearly \$2,700 from participating farmers. The Growing CNG Fund has received \$3,300. Farmers of limited means may apply for a scholarship by



Alice and CNG farmers at Brooklyn Food Conference, May 12, 2012

submitting a short statement (application and criteria [online](#)). Since the program was launched in January, 17 farmers have received scholarships totaling \$1,355 to help cover their dues. We also set up the option to make multiple payments over time via our online store. The risk of adopting this policy was that CNG would lose members. While the final tally for renewals isn’t yet in, it does seem likely that a slightly higher percentage of members will not be renewing this year. This drop in membership may have some modest impact on our visibility, but it is unlikely to have a financial impact. On the contrary, our revenue from members is up by 72% over last year at this time. The organization is now on a much firmer footing to invest in strengthening local farmers networks, offer educational programming, find additional sources of revenue, and take steps to raise our profile with the food-buying public, all critical initiatives that require time and attention in order to bear fruit.

On the other end of this difficult but thoughtful process not only do we have greater security, but the membership has a greater sense of ownership of the organization as a whole. Our commitment to offering an affordable quality guarantee system for small farms ensured we didn’t take this decision lightly. The results we achieved through the participatory process – both the outcome and the buy-in – were superior to those of a top-down mandate, and strengthened our commitment to the PGS approach.

Organic Guarantee Systems in the Brazilian Legislation

By Laércio Meirelles



Agricultural Engineer, Coordinator of “Ipe Ecological Center” in Porto Alegre, Brazil. “Ipe Ecological Center” is an NGO working since 1985 to provide advice and training in organic farming.

The discussion about the inclusion of participatory certification in the legal framework for organic agriculture in Brazil started in 2000. The legal framework was then under development and the Ecovida Agroecology Network¹, which had been promoting the debate about the drawbacks of requiring compulsory third party certification for organic guarantee, was again deeply involved in the process, together with similar groups of producers, consumers and advisers. Several years of negotiations went by before a formula was found that contemplated all interests in the same framework.

Creating multiple legal possibilities for recognition of organic products is a very good way to make its production and consumption more popular and democratic.

As a result of this effort the Law No. 10831 was published on 23 December, 2003. This law is very broad, as laws often are. Over four years of extensive discussions and consultations with the organic sector went by again before the Decree No. 6323, detailing the law, was published. But even more detail was necessary and, at last, the Normative Instruction (Technical Rules) regulating the functioning of the guarantee systems for organic agriculture in the country was published in 2009.

It is interesting to analyze how PGS is included in this legal framework. The Law 10831, Article 3, barely mentions that: “in case of direct sales between producers and consumers certification is not compulsory”; and that “in order to regulate certification, it is necessary to take into consideration the different schemes existing in the country”. PGS are only explicitly referred to in the Decree published in 2007, which defined them as a “set of activities carried out within a certain organizational framework with the purpose of warranting that a product, process or service complies with specific regulations or rules and

that it has been submitted to a participative conformity assessment”. While developing the regulation, the definitions became confusing for those who had not been involved in the preparatory process, so I will try to explain them in the following paragraphs.

The Law 10831 created the Brazilian system of organic conformity assessment, or SisOrg². The SisOrg national logo³ is compulsory for all products certified within this system by the two kinds of certification bodies legally recognized: OACs and OPACs. OAC stands for “Organic Conformity Assessment Bodies”, while OPAC means “Organization for Participatory Conformity Assessment”. These are respectively the legal bodies for third-party certification and PGS. Organic products also have a third possibility to reach the market, which is included in the Law but only applies to direct marketing. This is done by an Organization for Social Control (OCS). The OCS does not necessarily have legal status. It usually consists of a cluster of organic farmers, who must create a description of how they assure the organic quality of their products as a group, and must submit this description to the Ministry of Agriculture, along with a list of all participants in the organization. OCSs are not part of the SisOrg, therefore they are not allowed to use the national logo on their products. These three guarantee systems must adopt the National Standards for organic quality.

What we have explained above is what is stated in the legal framework. But a close examination by those who are familiar to PGS, will make it clear that OCSs also include key elements of PGS: they are also about organized producers, guaranteeing in a transparent and participatory way the quality of their organic products, based on the same regulations as any other assurance system. This is what is legal according to the Brazilian Organic Agriculture regulation:

Organic Guarantee Systems in Brazil

Third party certification - Conformity Assessment Body (OAC)

PGS - Where the Participatory Assessment Body (OPAC) has legal personality

Organizations for Social Control (OCS) - no legal personality needed

1 The Ecovida Agroecology Network describes itself as a space of articulation between family farmers and their organizations, advisory organizations and individuals involved and sympathetic to the production, processing, marketing and consumption of organic food

2 This and the following abbreviations refer to the Portuguese acronyms.

3 The Global PGS Newsletter, article about the Brazilian seal.

But a more precise conceptual description based on the experiences implemented would present a different picture:



It seems important to clarify this way of distinguishing assurance mechanisms, since the Brazilian regulation is often used as a reference for other countries interested in regulating organic sectors. Also, it is important to note that keeping OCSs out of the national system (SisOrg) is a mistake that will eventually have to be corrected by Brazilian legislators.

Early in 2011, this legal framework started to be implemented and became really for consumers and producers. Not enough time has passed yet for a more accurate assessment of its strengths and weaknesses. However, some first impressions can be shared:

1. Including PGS in the legal framework presents no inconvenient. We know that in other Latin American

countries it is often feared that such inclusion could have negative impact on exports, since the major importers of organic products, such as EU and US, do not recognize PGS. In Brazil we have not felt any effect of this nature;

2. It is not necessary to rely on third party certification to regulate PGS, a common path adopted since there are more specific reference to laws that foresee third party certification. This mixture may lead to confusion, rather than help. These are two different methodologies that in practice have shown both strengths and weaknesses. The development of a regulation must be based on concrete references of different methodologies existing in a country;

3. Creating multiple legal possibilities for recognition of organic products is a very good way to make its production and consumption more popular and democratic. The consumer may have the final word on the method that seems the most convenient or convincing.

We have no doubts that the regulations about organic farming in force or still under development in the Latin American continent will eventually recognize PGS. Laws often regulate social facts, and PGS already are social facts in many countries. In the meantime, we hope and work so that these regulations remain on the right track respecting what is happening within society.

New PGS Publications: Your PGS Featured on the new IFOAM PGS Poster

IFOAM is currently revising some of its PGS-related publications. The first result of this process was the new PGS Brochure, already available for download on the IFOAM PGS Portal. The brochure is available in English and French (see PGS Basics section in this newsletter).

We have also been developing videos, ranging from messages to the PGS Community from the organic sector, to testimonials from representatives of different PGS initiatives in the series "IFOAM presents: PGS Around the Globe". These videos are being released through this newsletter and will soon be available on a dedicated section of the IFOAM PGS Portal.

A new version of the PGS Poster is now being prepared. Typically meant to be both informative and eye catching, posters are a strategic tool to introduce PGS to different audiences, for example during events, conferences or trainings. In fact, the new PGS Poster is meant to be disseminated as much as possible. For the graphic elements of this tool, we would like to have

pictures that are representative of the PGS concept, key elements and key features. But, above all, we would like these pictures to come from the PGS themselves.

This is why we would like to invite the readers of this newsletter and the entire PGS Community to participate in this upcoming project. Would you like to see your picture in the new IFOAM's PGS posters? Submit a picture of a PGS initiative that you know or are involved in as a producer, consumer, etc. The picture should be representative of the PGS "in action", during a peer-review or a meeting, for example, and include a short description. Please send us high definition (300 dpi) images, in any format, and the name of the author of the photograph. All the images submitted will be included in the IFOAM PGS gallery, but the most representative pictures will be selected to illustrate the new IFOAM PGS poster. All contributions must be submitted to the PGS Team at pgs@ifoam.org and will be accepted until July 31 2012.



PGS Basics

The PGS Brochure, recently published by IFOAM, is now available also in French and can be downloaded for free on the IFOAM PGS Portal. This a good starting point for people who are new to the concept, as well as a good tool to spread the message about PGS. Other translations are currently being prepared and will soon be released.

Continental news: What's new in...



...Africa

Kenya and Rwanda: IFOAM recently organized two capacity building PGS workshops in Nairobi (Kenya) and Kigali (Burundi) in the framework of the OSEA II Project. The workshop in Kenya was held in English from May 10 to 11. It was facilitated by Konrad Hauptfleisch and Hervé Bouagnimbeck and brought together eight participants from Kenya, Tanzania and Uganda. The workshop in Rwanda was held in French from May 14 to 16. It was facilitated by Hervé Bouagnimbeck and brought together seven participants from Rwanda and Burundi. The program had a good mix of theory, group works and field visits. It covered aspects such as the development of PGS around the world, the basic elements and key characteristics of PGS, examples of how different PGS have evolved to fit with their local situations, interrelationships between PGS and Internal Control Systems, and marketing, finance, sustainability and development of PGS. The participants appreciated the workshops and agreed that they will build their capacities beyond PGS and contribute to the further development of organic agriculture in East Africa. For more detailed information, please contact Hervé (h.bouagnimbeck@ifoam.org).



...Asia and Oceania

India: The latest edition of PGS Organic News, the newsletter from the PGS Organic Council, from India, was published this month. News and updates from PGS initiatives in India and neighboring countries are covered in this issue, nicely illustrated, which also includes an article focusing on the history of PGS in India. A very important section of this newsletter is the updated list of local groups and the respective members for each one of the PGS initiatives that are part of PGSOC. And the good news is that the figures are going up! For more details and to download PGS Organic News please visit: <http://www.pgsorganic.in/>

French Polynesia: The PGS Bio Fetia presented its official handbook to delegates of the Pacific Organic and Ethical Trade Community (POETCom) for assessment and approval. The handbook was presented by organic farmer and President of the PGS, Dimitri Temeharo, to the Associate Minister of Agriculture from the Cook Islands, Hon. Kiariau Turepu, who accepted it on behalf of POETCom. If the PGS meets the requirements, which include adopting the Pacific Organic Standard as its principal production standard the Bio Fetia will be approved and authorized to use the Organic Pasifika mark) on their products. For details please follow this [link](#).

Tahiti: The Organic Pasifika PGS logo is being promoted across the Pacific region to reduce costs for producers, provide guarantee for consumers and facilitate organic trade between Pacific Islands. A seminar took place in Tahiti, from 3 to 8 May where representatives from 15 countries and from the Secretary of the Pacific Community could discuss on how to work within the structure of POETCom (see previous news on French Polynesia), the use of Pacific Organic Standard as a reference for the region, and the application of this regulation to PGS.



...Latin America

Costa Rica: Feria Verde de Aranjuez, a weekly farmers' Market in San Jose, celebrated its second anniversary on May 15. Involving about 45 weekly sellers, this project aims to link consumers and producers while recognizing the importance of local organic food. Feria Verde functions as the space for different activities that connect people and for a more sustainable society. For the certification of the organic products Feria Verde is adopting a participatory system that certifies multiple farms. This system was developed with the help of MAOCO, CEDECO, MAG and the United Nations. A qualified group of peers collaborates to offer support and make certification more accessible to small-scale farmers. The Costa Rican organic regulation allows PGS as an alternative certification for internal markets, which favors these activities. For more information contact Faviana Scorza: faviana@feriaverde.org.

Imprint

The Global PGS Newsletter is published monthly. All PGS-related articles are welcome. Please send your articles for submission in English, French or Spanish to pgs@ifoam.org. Deadline for submission of articles is the 30th of each month for the following month's issue.

The Global PGS Newsletter is a free electronic publication. To receive the newsletter, please write to pgs@ifoam.org.

The Global PGS Newsletter is published by IFOAM, the International Federation of Organic Agriculture Movements. You can find out more about PGS [here](#) on the IFOAM website.

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The Global PGS Newsletter is supported by

