

# The Impact of the New EU Organic Regulation on Smallholder Value Chains

Webinar 25.03.2025



**FiBL**

**IFOAM**  
ORGANICS  
INTERNATIONAL





## Speakers



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## Moderation

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# Session overview



**14:00** IFOAM - Organics International: Welcome and introduction

**14.10 – 14:50** FiBL: Key results of studies on the impact of the new EU Organic regulation on smallholder supply chains

**14:50 – 15.10** Fairtrade International: Fairtrade Producer readiness and perspectives

**15:10 – 15:25** Naturland: Insights from the adaptation of international Naturland producer organisations

**15: 25 – 16:00** Q&A





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# Impacts of the New EU Organic Regulation on Smallholder Value Chains

Key findings from two impact studies

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IFOAM Organics International Webinar 25.03.2025

# Content

1. Introduction to the new EU Organic Regulation and smallholder supply chains
2. New requirements for “Groups of Operators” and implications for groups
3. Analysis of implications per region and status of adaptation
4. Expected effects on the EU organic sector
5. Conclusion and recommendations

# FiBL Studies on the implications of the new EU Organic Regulation

## Study of the implications of the EU Organic Regulation on smallholder value chains and the EU organic sector (Sep 23 – Oct 24)

Survey of third country groups and operators  
Survey of importers/processors in Europe  
Survey of other stakeholders



25 interviews (Europe) & workshop for German stakeholders

3 country case studies (Peru, Morocco, Ghana)

Data analysis (Fairtrade International producer data, TRACES import & FiBL organic production data)

With financial support of:



**Report, annex and summary presentation:**  
<https://orgprints.org/54313>

## Case study of the implications of Regulation (EU) 2018/848 in the Dominican Republic (May - Nov 24)

25 stakeholder interviews; Costing Studies

Collection and analysis of production and trade data

Workshop with 25-50 invited key stakeholders

Recommendations and webinar to sharing findings and align on next steps



[https://agrinfo.eu/documents/99/Implications-of-Organic-Regulation-in-Dominican-Republic\\_2024.pdf](https://agrinfo.eu/documents/99/Implications-of-Organic-Regulation-in-Dominican-Republic_2024.pdf)



I.

# Introduction & overview organic smallholder value chains from third countries



# The EU organic import system has changed from equivalence to compliance (Still) 2 options for organic imports into the EU

## 14 Countries with EU recognized national organic systems

Argentina, Australia, Canada, Costa Rica, India, Israel, Japan, Korea, Tunisia, USA, New Zealand (Annex I of Reg. 2021/2325)

By trade agreement: Chile, UK, Switzerland

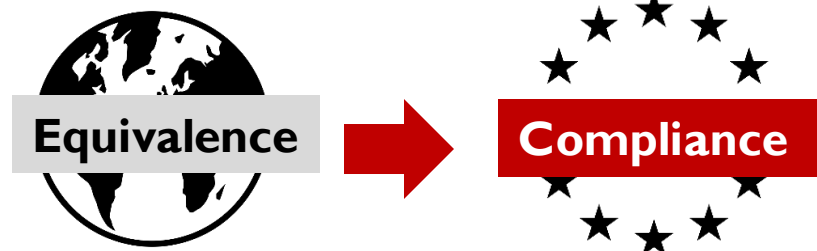
**Country equivalency system is phased out and replaced by trade agreements on organic products.**

## End of transition period: 31.12.2026

Products not covered by the agreements → change to compliance on 31.12.2024

## All other third countries

(so far under third country CB equivalency recognition)



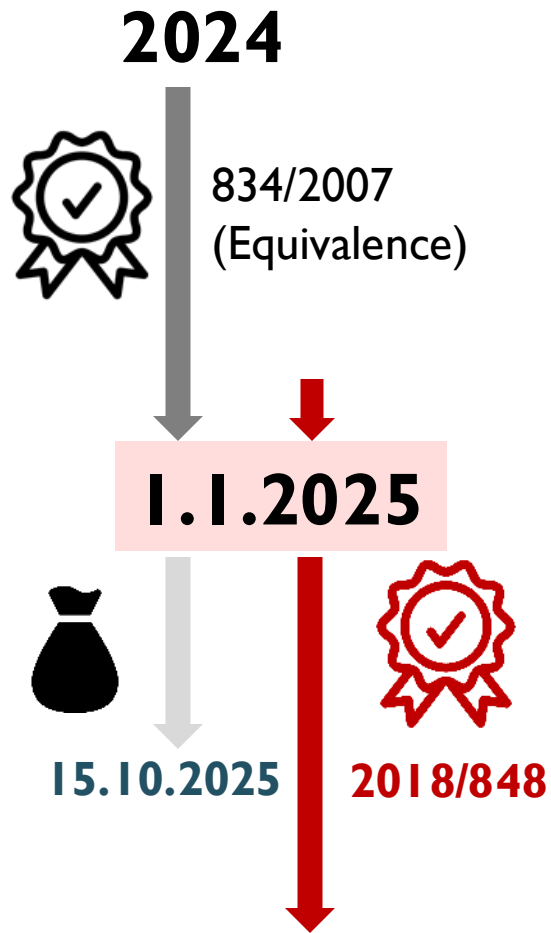
- Third Country CBs had 3 years to change from equivalence to compliance since 1.1.2022
- 48 CBs have been recognized for compliance certification by end of 2024 (Annex of Reg. 2021/1378)

**The transition period for third Country CBs to change to compliance ended on 31.12.2024**

Focus of this webinar



# Transition to compliance in 2024/2025



- Organic CBs approval in several batches since mid 2024.
  - Most CBs fully “switched” to 2018/848 inspections around Oct 24. Equivalence certificates could only be issued until end of 2024.
- **most operators and producer groups were currently still certified according to the old organic regulation and equivalence system in 2024.**

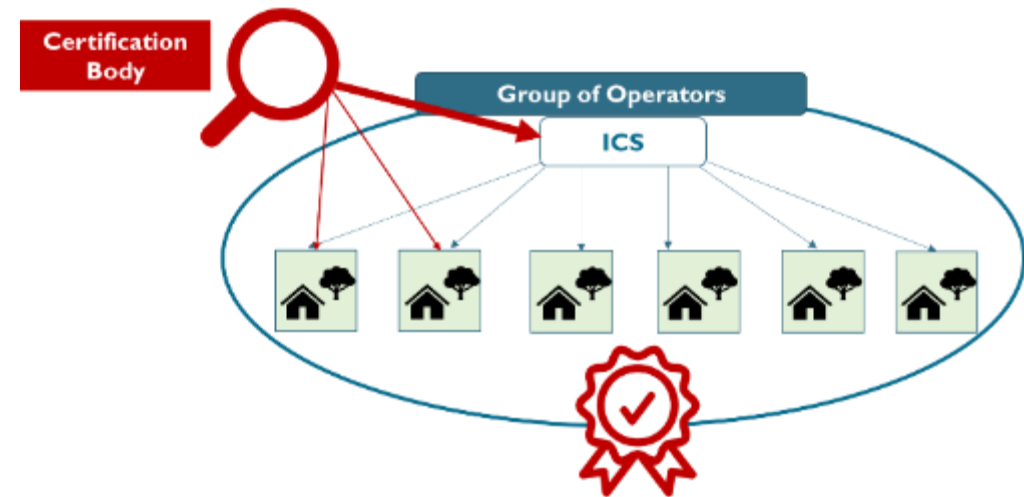
**From 1 January 2025, only the new Organic Regulation 2018/848 applies in most third countries for organic exports to the EU.**

- Most groups and operators will be checked for compliance for the first time in 2025.
- **During a “derogation period” from 1.1.2025 to 15.10.2025** products with valid equivalence certification can still be imported to the EU as organic (COI issued) - if CB is recognized for compliance and if the suppliers compliance certification is “pending”.
- **After 15 October 2025**, only suppliers certified in compliance with Regulation 2018/848 can continue to deliver organic products to the EU.

# Organic producer groups and the new EU Organic Regulation

Smallholders in low and middle income countries have been certified since decades as producer groups with an Internal Control System (ICS).

The new EU Organic Regulation 2018/848 was the first major organic regulation to include group certification directly in the regulation, applicable to production within the EU and Third countries.



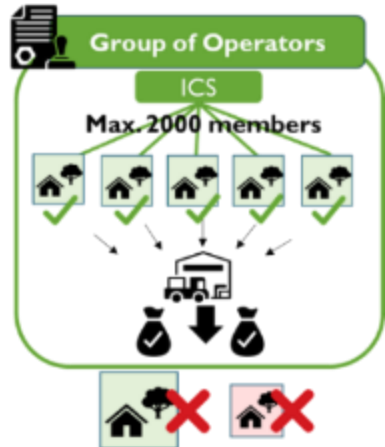
**The rules for imported products and group certification have been strengthened due to concerns about the quality of control in third countries and to achieve a level playing field with EU operators.**

# Regulation (EU) 2018/848: Key changes for third countries



**31.12.2024: EU organic import system changed from «Equivalence» to «Compliance» for the majority of third countries**

**Most operators, as well as experts, do not yet understand all rules.**



**Entirely new rules for «Groups of operators»**



**Word-for-word compliance with EU production rules**



## Other key changes: strengthened control in third countries



**New rules for control of Groups of Operators:** at least 5% of members shall be re-inspected by the CB each year. At least 2% of members are subject to sampling.

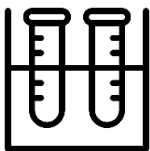
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### *All Operators and Groups of Operators*

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**Strong focus on (documented) precautionary measures** to prevent contamination & commingling of organic products and product traceability



**Measures in case of detection of any unauthorized substances by operations & CBs.**  
Blocking products while investigating in case of suspected or confirmed presence of non-authorized substances. Official investigation to determine the source & cause.

**The EU is defining a list of “high-risk products” from Third Countries which will be subject to control twice a year and more intense sampling** (in origin and in the EU; % will be defined per product).

*2025: System of “additional measures” by letter to Third Country Control bodies continues*

# Group certification matters for many imported products

>70% of EU organic imports from groups

70–40% of EU organic imports from groups

40–10% of EU organic imports from groups

*Producer groups in lower- and middle-income countries with an Internal Control System (ICS)*



Coffee



Cacao



Spices



Rice  
Quinoa



Banana



Mango



Avocado



Pineapple



Coconut  
products



Cashew  
Macadamia



Sesame



Soybeans



Cane sugar



Honey



Shrimp  
(Penaeus)



Citrus



Ginger

*Groups in Turkey & Mediterranean third countries, mostly with 100% external control/no ICS*



Dried figs



Sultanas



Apricots



Hazelnuts



Dates



Aromatic plants  
*(if cultivated)*



Olive oil

# 2.

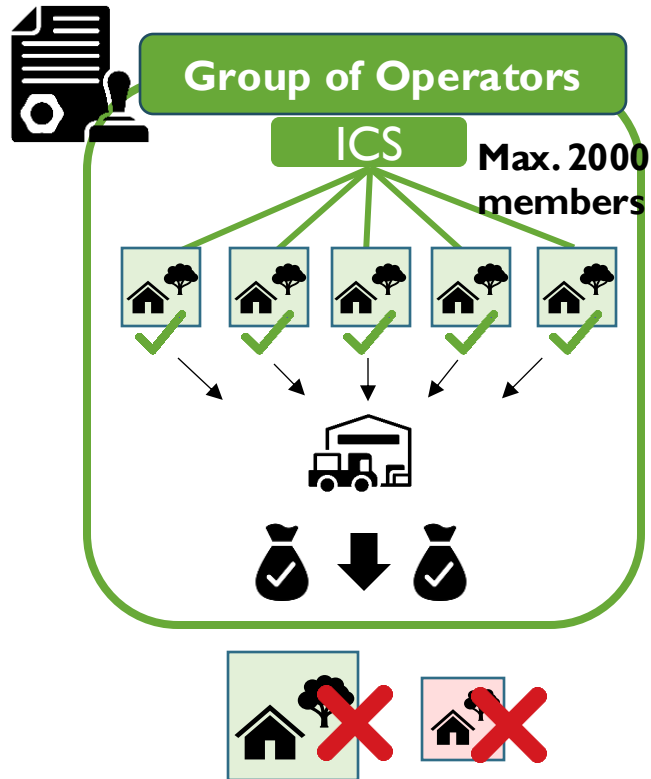
## New requirements for Groups of Operators and implications for groups

Photo: Jacques Fuchs (FiBL)





# New concept: Group of Operators (Art. 36)



Regulation (EU) 2018/848 Art. 36.1 (a-e)  
+ Regulation (EU) 2021/279 Art. 4 & 10

## A Group of Operators (GoO)



Is composed only of members

✓ who are organic/in-conversion farmers

✓ under a maximum size/turnover limit

(<5 hectares total land OR <25,000 € organic turnover).



Has a maximum size of 2000 members per GoO



Has 'legal personality'



Operates an Internal Control system (ICS)



Has a system of joint marketing



GoO members shall be in geographic proximity.

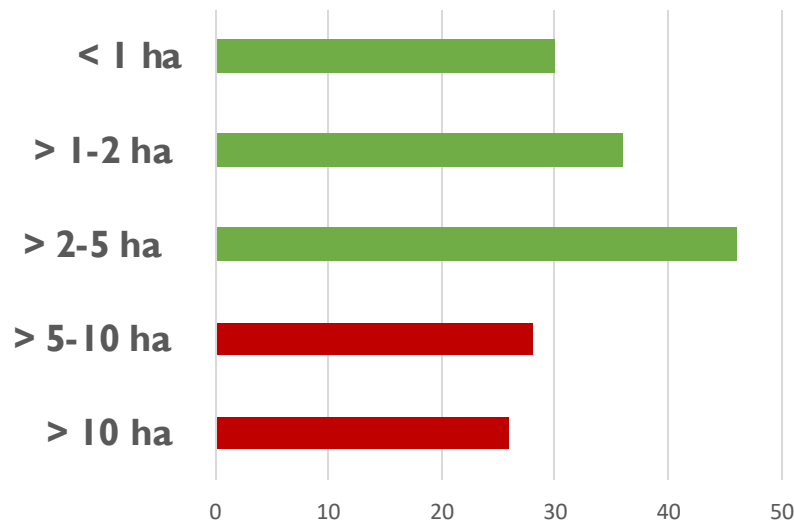
A member shall register only for one GoO for a given product.

# Study findings – new farm size / organic turnover restriction

**Average farm size up to 5 hectares for 67 % of groups in survey.**

**Farmers with > 5 hectares total agricultural land still can be members in a Group of Operators if they have less than 25,000 € organic turnover\***

**Average member farm size**  
Source: Third country survey



**In most smallholder crops and regions, organic turnovers of group members > 5 hectares are much below 25,000 €/year.**

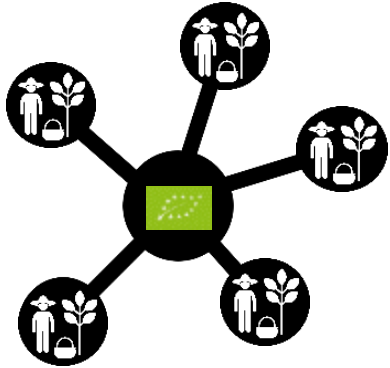


**But in a some crops/regions organic turnovers are likely above 25,000 € for farms with > 5 hectares (2024: banana, honey, fruit in Latin America). 2025: Due to current market price also cacao & coffee small-medium farms risk to be above the limit.**

\* Simplified rule Art. 36.I.(b) for all third countries where individual farm certification costs > 500 €/year

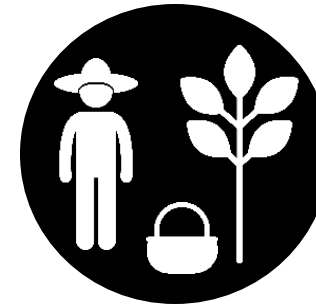
# Scale of organic group certification for Europe & implications

Estimated scale of group certification in equivalence with Organic Regulation (EC) 834/2008  
without producer groups in India and other recognised third countries



≈ 1800–2000  
organic producer groups

1400–1500 producer groups with ICS  
+ 400–500 groups in Mediterranean countries without ICS

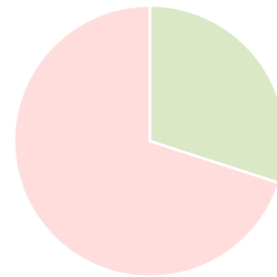


≈ 1,000,000  
organic farmers  
in producer groups

## Estimated need for adaptation to Organic Regulation (EU) 2018/848

100% of organic producer groups need to adapt to the new production & ICS rules.

≈ 70% (> 1300) organic groups  
also need to change organisational  
composition and set-up

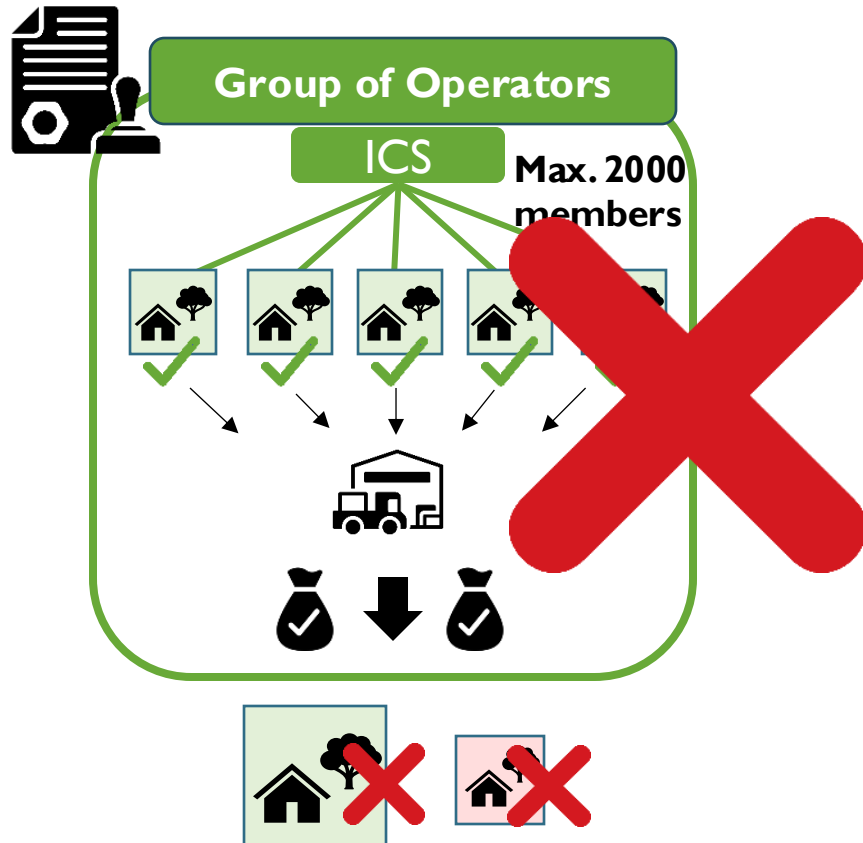


≈ 30% (500) of organic groups  
can be certified in their current form

Source: own estimations



# Which producer groups need to adapt their organizational set-up?



**Around 70% of currently certified producer groups can not be certified as they are and must adapt their structure, organisation or certification set-up in order to continue EU organic group certification in 2025 :**

- All groups organised by processors/exporters
- Approx. 50% of all producer organisations
- All producer groups 'without ICS' / with 100% control (many in Mediterranean third countries)

Necessary adaptations are often very complex, challenging, and with unknown economic effects.

# Only half of all Fairtrade organic producer organisations can be certified as “Group of Operators”

≈ 850 Fairtrade organic small producer organisations (with 529,000 organic members)

≈ 450 (53%) Are estimated to **not** meet the EU’s Group of Operators definition in their current legal form and set up for one or multiple reasons:



≈ 315 have organic & non-organic statutory members



≈ 64 have more than 2000 members;  
(many also have non-organic members)



≈ 90 are estimated to have some members with > 5 hectares + > 25,000 € organic turnover/year (most bananas SPOs, some sugar SPOs. Honey and other fruits could also be affected)  
*Update: due to market price fluctuations, also many cacao & coffee farmers suddenly risked to be «too big»*



≈ 20 are company-managed groups (contract production)

≈ 15 For other reasons (legal composition; buying from non-members)

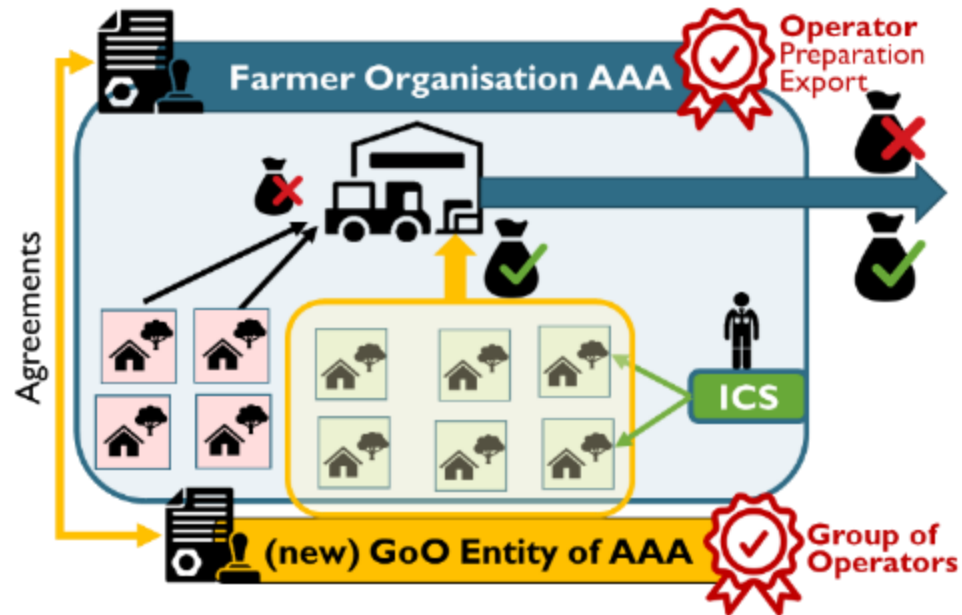
Estimated data based on Fairtrade International 2022 survey data and FiBL expert evaluation.



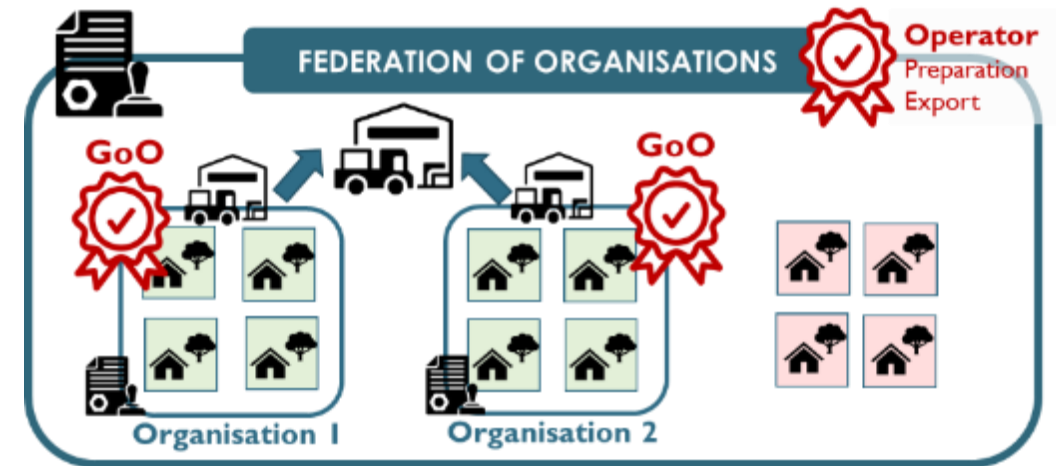
# Adaptations for organic farmers organisations with non-organic or any “too large members” or > 2000 members

There is no tested suitable adaption solution; each organisation should consider options carefully. But it's not required and, in most cases, not advisable to split the organisation or expel members.

Option new legal Group of Operator (sub)entity for only the small organic members



2<sup>nd</sup> or 3<sup>rd</sup> grade farmer organisations (e.g federation)  
Option: certification of 1<sup>st</sup> grade farmer organisations



# Adaptation Example Thailand



## Example Thai Cooperative : 600 farmers (coconut, rice, cashew);

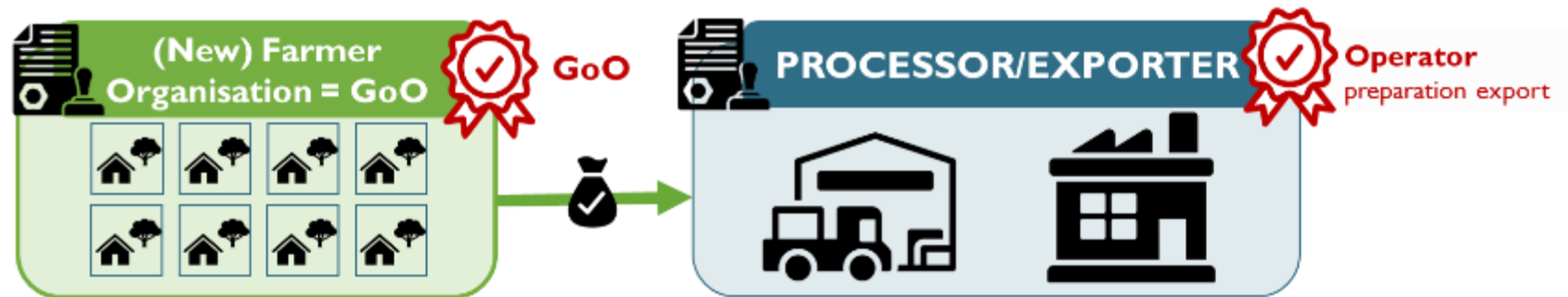
- Currently certified in several regional clusters, Some non-organic farmers in a few regional groups
- 5 farms are “too large” and farm splitting not a good option, but they are founding members and important for the group → individually certified, Coop pays 50% of costs.
- Will set up a new “community enterprise” entity in 2024 for all small organic farmers as one national GoO.
- Coop= “operator” for EU (buys from GoO and individual farms); remains Fairtrade SPO
- Expected cost increase is modest: +10% for certification expected (2023 estimate)



# Adaptations for processor/exporter organized groups

**All processor/exporter organised groups must change their organic business and certification setup**

- set up one or several new legal entities composed of organic farmers as separate Groups of Operators (GoO)
- and/or transfer certification and more commercial roles to existing farmers organizations in their supply chains



- GoO entity may subcontract ICS & traceability system to exporter
- Complex new agreements, new commercial risks and uncertainties to mitigate

# Adaptation example exporter Africa

## Adaption example of organic cocoa, dried fruit and soy exporter in West Africa with $\approx 7000$ farmers under the company's certificate

- Exporter helped to set up 8 cooperatives as Groups of Operators. Also working with some existing cooperatives with already their own certificate. *The organic certificate of the new cooperatives will be owned by the cooperatives. Cost paid by the trader, but charged to the cooperatives.*
- Trader will continue to administer the ICS (cooperatives appoint ICS manager and ICS inspectors of trader; similar ICS manual for each coop).
- Commercial agreements between trader and every cooperatives; very close supervision of product flow and payments to farmers by the trader.
- Direct contact between trader and producers through trainings, extra premium payments and special projects.

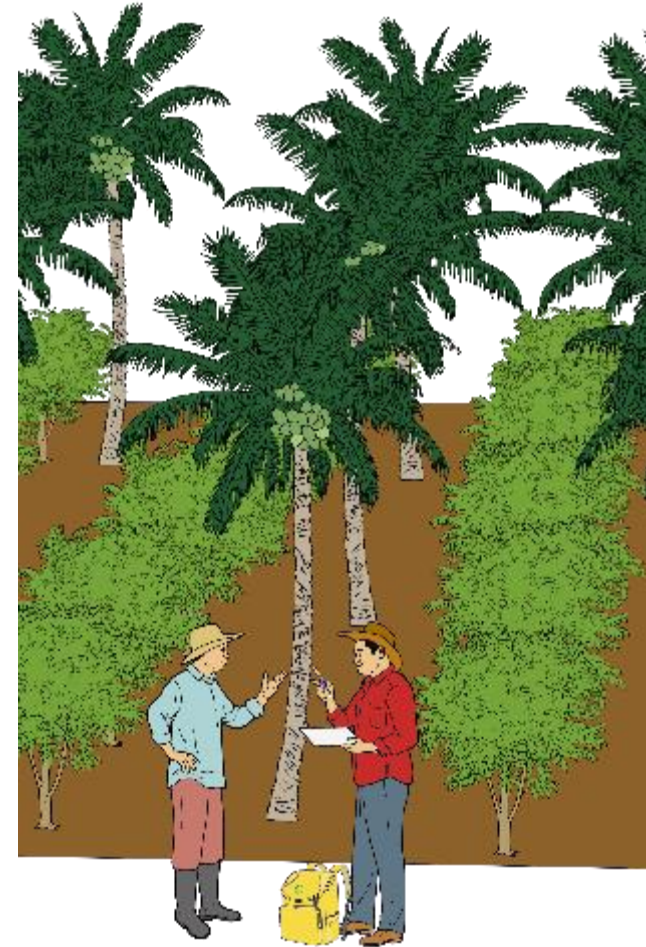


External certification cost:  
2- 2,5 x higher

# Adaptation example Coconut Mill Southeast Asia

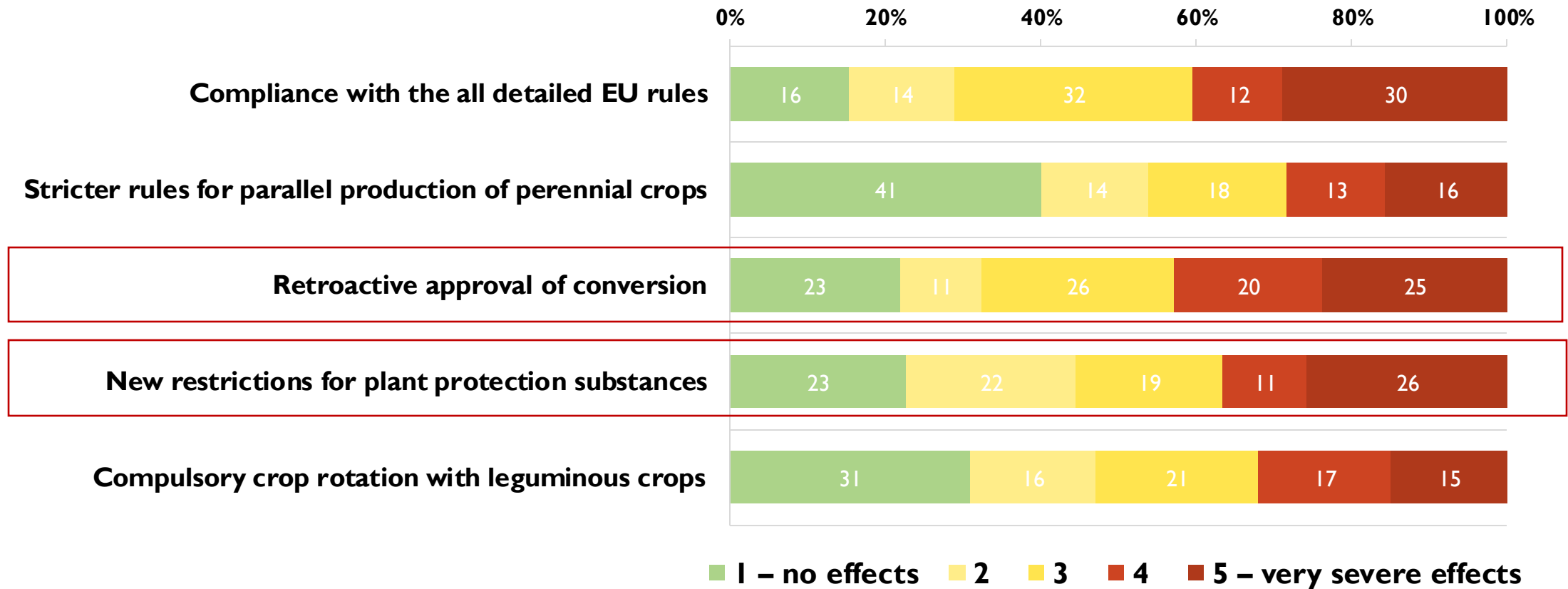
## Coconut oil mill; 1000 organic farmers under 1 certificate (EU & NOP).

- Only 100 farmers selected for future EU certification under a new Group of Operator (GoO) entity.
- A "guarantee company" will be created as GoO entity (local form of non-profit company in which farmers can be members). Very close link between the new unit and company.
- Coconut mill will provide the ICS staff, but the services will be charged to the new GoO.
- The mill will buy the products from the GoO unit.



# Stricter organic production rules – implications

Survey of groups and operators in third countries (until May 2024)



Interviews: neither experts nor producers fully understand yet the implications of word-for-word compliance with complex EU regulatory rules after almost 20 years of “equivalence”.

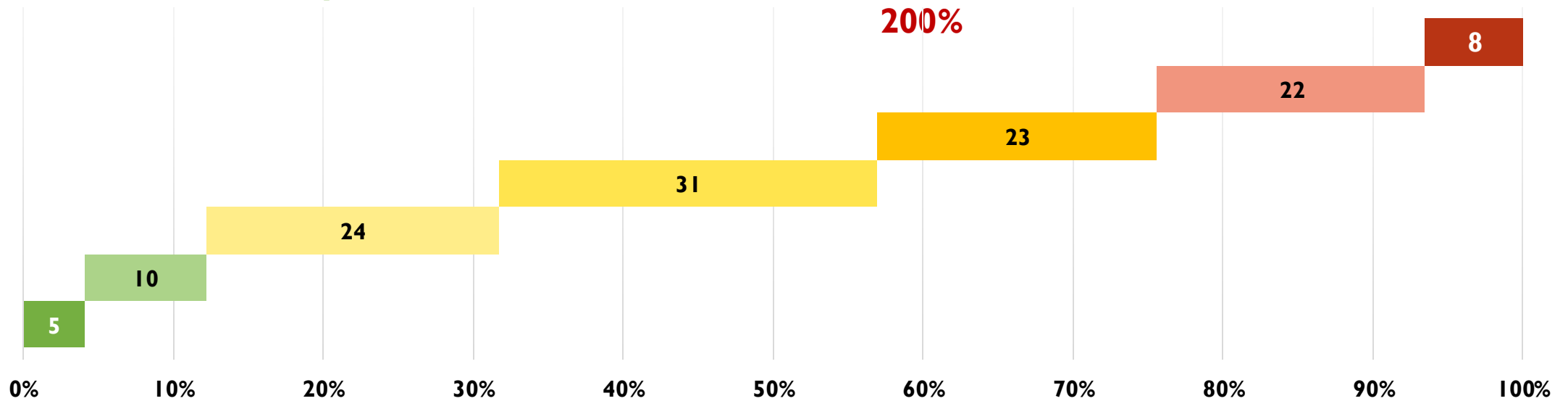


# Estimated effects on organic certification costs

Survey of groups and operators in third countries (until May 2024)

12% of respondents expect an increase of certification costs by <10%

43% of respondents expect an increase of certification costs by > 50% to more than 200%



■ No significant increase

■ 5-10% increase

■ > 10-25% increase

■ > 25-50% increase

■ > 50-100% increase

■ > 100% increase

■ >200% increase

11 responses "I don't know."

# Costing Analysis Example Dominican Republic (Cacao)



**Farmer association** with > 2,000 members and certificate in its own name, close association to an exporter for organic certification.

**Adaptation:** reduction of number of farmers under organic certification to about 1,700 farmers (reduction by 18%)

|   | Costs now<br>(equivalence)<br>(US\$) | Costs 2025<br>(compliance)<br>(US\$) | Change of costs<br>(%) |
|---|--------------------------------------|--------------------------------------|------------------------|
| <b>Internal costs per farmer</b><br>ICS staff and costs, farmer training, own sampling, documentation | 123/farmer                           | 186/farmer                           | <b>+51%</b>            |
| <b>External certification costs per farmer</b>  | 9/farmer                             | 14/farmer                            | <b>+56%</b>            |
| <b>Total internal &amp; external cost for certification per farmer</b>                                | 132/farmer                           | 200/farmer                           | <b>+52%</b>            |
| <b>Total internal &amp; external cost of certification per ton (produced)</b>                         | 48/ton                               | 72/ton                               | <b>+50%</b>            |
| <b>Total costs (internal &amp; external)</b>  | 270,000                              | 340,000                              | <b>+25%</b>            |

# 3.

## Analysis of implications per region and status of adaptation

Photo: Johanna Rüegg (FiBL)



# Summary Latin America: products, implications, adaptation



≈ 277,000 organic producers  
in key smallholder countries

**Estimated n° groups for EU:**  
880–930 (240,000 organic farmers)

Peru, Mexico, Dominican Republic,  
Brazil, Honduras, Bolivia, Ecuador,  
Colombia, Nicaragua, Paraguay,

## Key smallholder products for EU market



Coffee



Cacao



Banana



Mango, avocado



Honey



Ginger



Quinoa



Cane  
sugar



Sesame

- **Very high number of producer groups (estimate: 520–570 groups; > 60%) needs to adapt to the Group of Operator definition**
  - Many farmer organisations also have non-organic members, some > 2000
  - In some crops, “too large” members likely, esp. banana, fresh fruit, honey, cacao (2024/25)
  - Adaptation is difficult in associations as farmers need to agree to changes
  - Some processor/exporter-organised groups, esp. fruit, honey, sugar
- **ICS need strengthening** and alignment.  
**Plant protection substance restrictions** expected to be challenging.
- **Many groups do not have financial means to invest in changes**, on top of efforts to meet EU deforestation regulation

Many groups are working on adaptation solutions, some appear ready.

Some associations may still not be aware of the need to adapt.



# Key findings Case Study Dominican Republic

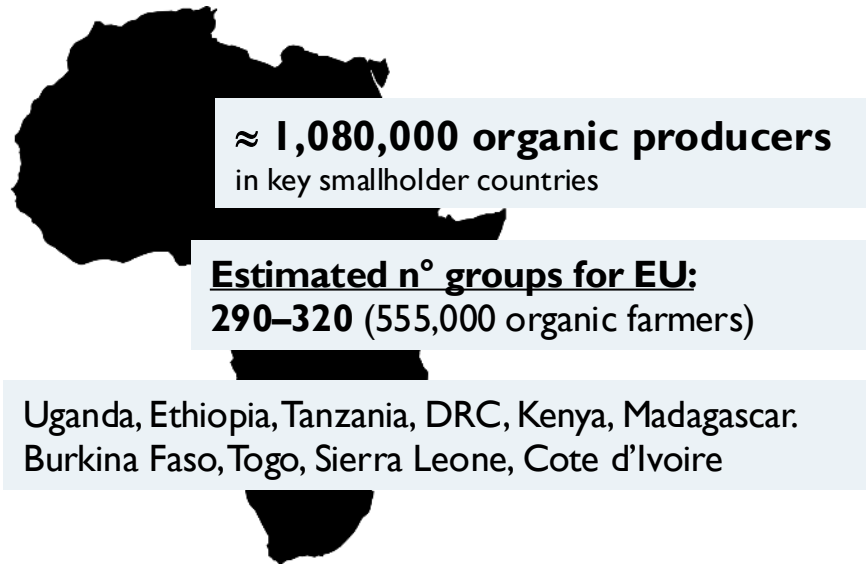
**Opportunities:** enhance transparency and harmonize compliance, strong base of committed organic farmers, well-established commercialisation channels with the EU

**Challenges:** changes disproportionately impact small producers in the Dominican Republic.

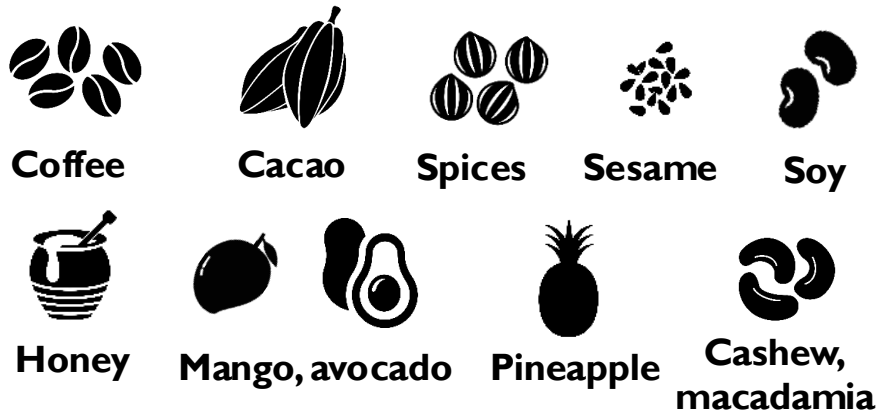
- Banana: difficulties due to high production costs and the new organic turnover limits for members, risking the exclusion of many medium-sized farms.
- The cacao sector also struggles with adaptation, especially among large associations with mixed organic and non-organic members. Some farms > 25.000€. Misunderstanding of rules.
- Costs of complying with the new Regulation are expected to increase significantly. It is uncertain for producers how and whether the increased costs will be covered by the market.

**Many groups were still in the process of trying to adapt and finding viable solutions in late autumn 2024. It seems unlikely that their compliance certification can be ready by October 2025.**

# Summary Africa: products, implications, status of adaptation



## Key smallholder products for EU market

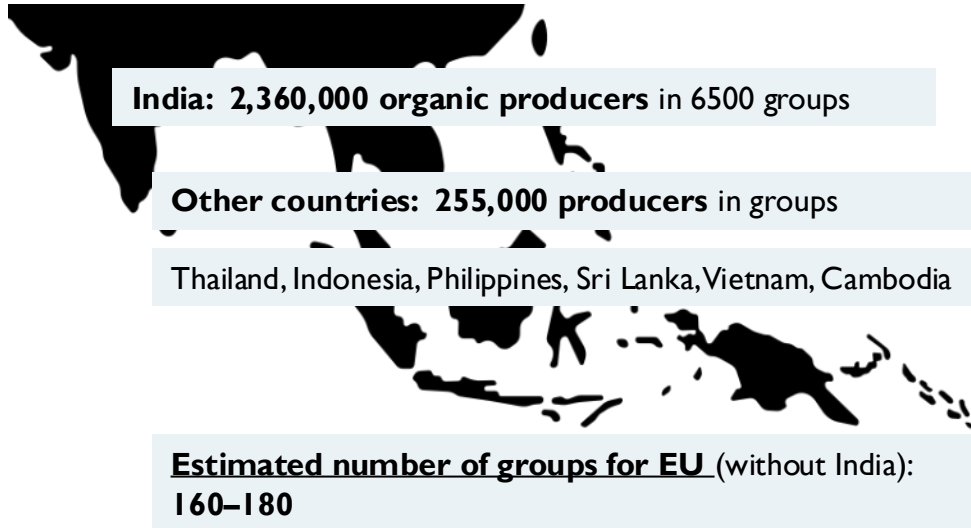


- **Many large-volume supply chains need to adapt their organisational setup**
  - Groups are often very large (much > 2000), farms are very small
  - Farmer associations have also non-organic members (coffee, cacao)
  - Many groups are organised by companies (esp. horticulture, nuts & oilseeds, cacao)
- **Many ICS need to be strengthened considerably**
- **Stricter rules for retroactive recognition will be a challenge**
- **Even modest cost increases can pose major challenges;** For many groups, compliance costs are expected to increase by > 200%

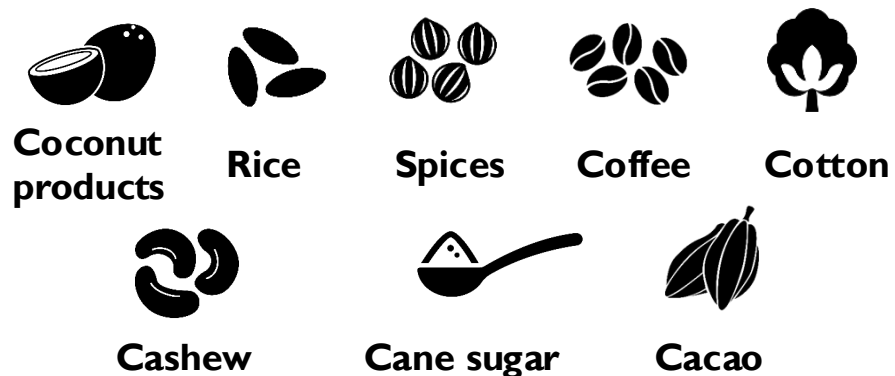
EU owned trader-organised groups are expected to be ready in late 2024.

Only few farmer associations and some companies have started adaptation. Heavy national administration, slow procedures. struggling with EU Deforestation Regulation

# Summary Asia: products, implications and status of adaptation



## Key smallholder products for EU market



**Special case India:** recognised equivalent organic country (some product categories). Crop production in grower groups under the National Program for Organic Production; Processed plant products must be controlled in compliance with Regulation (EU) 2018/848 from 2025.

**About 70% of currently certified groups** (outside India) are expected to need to adapt to be certified as **Group of Operators**

- Many groups are exporter-organised (coconut, rice, sugar, cashew)
- Some associations have also non-organic or too-large members
- Effects seem to vary, e. g., adaptation in Thailand seems easier than in Indonesia, Sri Lanka, Philippines (processor-organized groups)

EU-owned trader-organised groups are expected to be ready in late 2024. Thailand seems ready due to early training and support projects.

Other countries' awareness for adaptation rather low (or not known)

# Mediterranean countries

**Turkey:** ≈ 40,000 producers,  
thereof ≈ 30,000 potentially for EU  
In 400-500 groups



## Group certification products for EU market

EU organic products mainly/only from Turkey



Sultanas, dried figs, apricots

Hazelnuts

Dates



Pine nuts, pistachios

Aromatic plants  
(if cultivated)

Olive oil

**In Turkey, the production of some key organic products for Europe is mostly certified in farmer group clusters on behalf of processors/exporters with 100% external control under one certificate without ICS. Some groups are exporter-organised with ICS. All groups need to adapt.**

- Many farms are expected to need to change to individual certification; cost implications
- Some may change to become Group of Operators (but farms easily exceed the size/turnover limit)

Adaptation in progress; new season starts in Q4/24

Significant changes in certification/set-up of key supply chains

**Tunisia:** EU recognised organic control system; does not change to compliance with Regulation (EU) 2018/848 in 2025

**Morocco & Egypt:** few producer groups, mostly individual certification

**Balkan states:** about 70 groups, new rules rules not easily implementable, likely that many small producers will stop organic production



## Overall effects ? Status of adaptation?

**Overall, the effects are still very hard to predict at the moment.**

Many groups only realized the various needs for adaptation and future costs in autumn 2024.

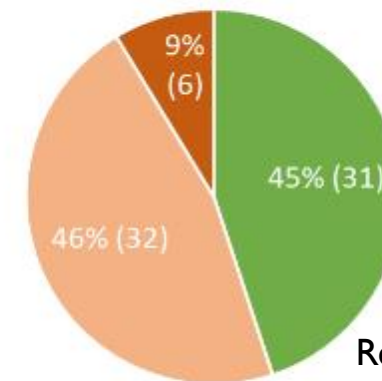
Third country survey in spring 2024: 82% planned to adapt, more than 60% with considerable challenges

Interviews, parallel studies:

Many of those planning to adapt do not have a clear implementation plan or may not even fully understand the need for adaptation required.

Feb 2025: many groups (esp. farmers associations) seem to be still looking for adaptation solutions.

Bio Suisse Producer Group Survey January 2025  
Self-Assessment Status of Adaptation



Response: 67 (30%  
Bio Suisse Organic Groups )

- Completely adapted to new requirements
- Partially adapted to new requirements
- Not adapted at all

# February 2025: snapshots status of adaptation and costs

## Feedback from an international CB:

- Setting up new legal entities is much harder than expected
- «Considerable» number of groups (esp. in Africa) that change their certification scope to US or Japan only
- Costs per certified farmer can increase 3-4 times (despite efforts to keep increase at bay)

## Last minute changes in reaction to 2025 certification budgets

- e.g. continuing EU certification for only a smaller % of farms than planned;
- Reconsider plans for legal entity adaptation

## EU trade partners:

- Some report the need for significant support for continued certification of key suppliers; others report that adaptation of suppliers is well in progress.

**4.**

## **Expected effects for the European organic sector**



# Summary of implications for some selected organic import products



**Green coffee: 133,422 t**  
> 90% from groups



**Cacao beans: 72,573 t**  
> 90% from groups



**Rice: 76,473 t**  
≈60-75 % from groups



**Cane sugar**  
**42,403 t** raw cane sugar  
**84,435 t** white sugar  
35% / 45% from groups



**Banana: 705,760 t**  
≈ 50% from groups



**Mango: 14,038 t** (fresh & dried):  
≈50% of fresh mangos, ≈ 90%  
of dried mangos from groups



**Sultanas 15.098 t**  
**Figs dried 15098 t**  
**Apricot dried 3198 t**  
> 90% from groups (Turkey)



**Hazelnuts: 6984 t**  
≈ 85% from groups



**Cashew: 14,282 t**  
> 90% from producer  
groups



**Coconut oil: 9,157 t**  
**Desiccated coconut: 4,858 t**  
> 90% from groups

Majority of smallholder supply chains faces considerable challenges to adapt

Many smallholder supply chains face considerable challenges to adapt

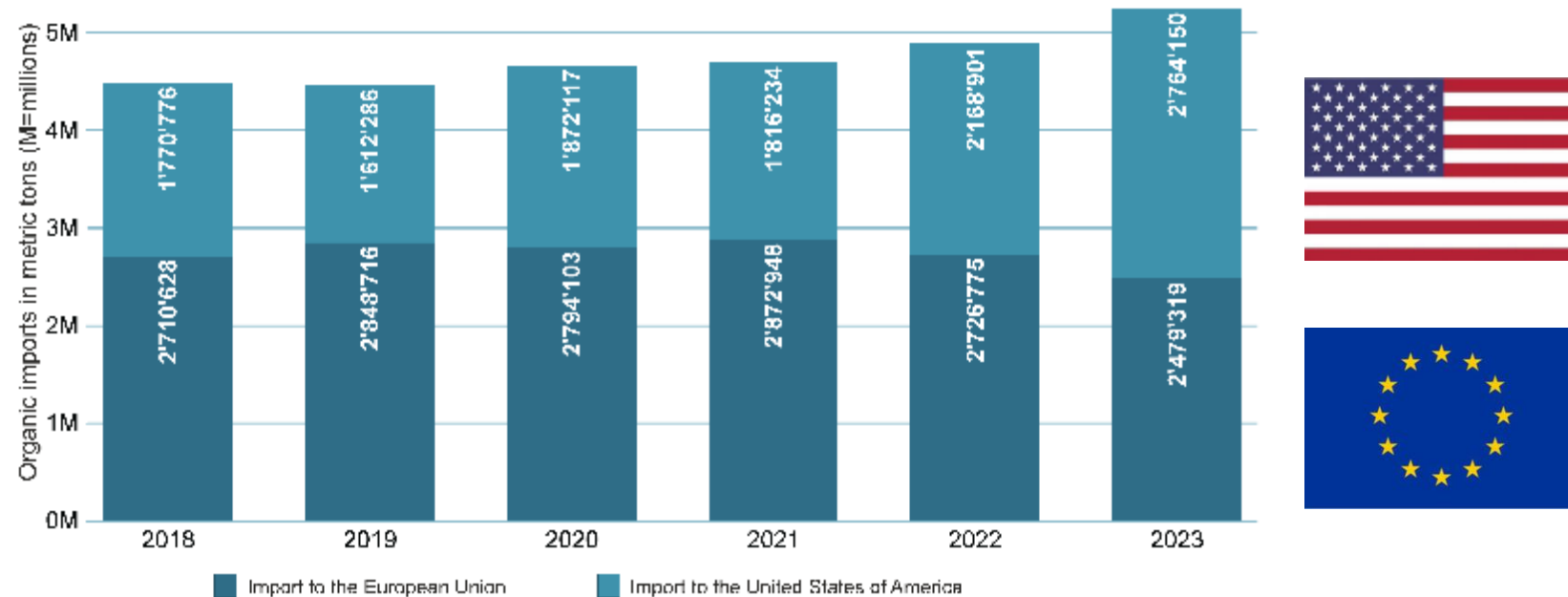
Few smallholder supply chains face considerable challenges to adapt

# The EU organic import market – unfortunate timing for new rules

For the first time in years, EU organic agri-food import volumes in 2023 are down by 9.1%, the lowest since 2018. Other organic markets outside Europe are developing dynamically and may become a more attractive alternative.

## World: Development of EU and US organic imports 2018-2023

Sources: Traces/European Commission and GATS/USDA





# Expected Effects for EU Traders are yet unknown but begin to show

Insights from Biofach sessions by OPTA/AöL and FiBL

## **Importer and online brand with own production in West Africa**

- Significant cost increases (3 x higher costs for 7800 farmers); who will pay?
- Risks of supply chain ruptures, lack of competitiveness for EU organic traders

## **Large importer (> 300 suppliers)**

- Offered training and support; Adaptation seems in progress; Varying awareness and effects
- Expects that some supply chains will fail/stop; available organic volumes are down in some products
- Own sourcing projects: increased costs and administrative burdens

## **Organic manufacturer and brand with > 200 suppliers**

- Most suppliers will continue, some will stop
- Higher costs for certification & significantly higher admin costs (expectation: 3-6 x higher)
- CB approaches still seem to vary considerably
- Negative effects for groups due to establishment of separate legal entities (e.g. no more access to loans)

# 5.

## Conclusion and Recommendations

Photo: Kurt Riedel (FiBL)



## Opportunities identified in the studies



**Expected to increase integrity of organic products in the EU and beyond by setting consistent harmonized rules and «levelling the playing field»**



**More transparency on group certification** → expected to enhance market oversight and improve available data



**Producer groups meeting the new requirements may ultimately benefit from an improved market position and less competitive «race to the bottom».**



**Risk mitigation:** Operating in smaller group units and clearer rules can help producer groups to mitigate risks.



## Challenges for producer groups in third countries



**Around 70% of certified organic small producer groups (in total 1300-1500) need to adapt their legal setup, group composition and/or certification setup to continue supplying the EU organic market.**

- For many farmer associations, the required changes may be too daunting (complex, with unforeseeable economic consequences). Many lack the means to invest in the changes. Adaptation is not complete.
- For companies working with smallholders, the complications and commercial risk for operating organic smallholder supply chains will increase.



**Many organic small producer supply chains are likely to drop, lose or reduce their EU organic certification in 2025/26, due to the combination of adaptations required, price pressure, higher costs for being certified, lower demand, and stricter new rules.**

- Supply chains and farmers with low organic sales to Europe and/or low profitability of organic production seem more likely to give up.
- Many groups, which continue, reduce the number of EU certified producers and volumes.

# Challenges for the European organic market



## **Reduced product availability and supply chain disruptions seem likely in 2025/2026**

- Most organic producer groups will be audited in 2025 for the very first time under compliance with complex rules.
- Non-conformities, delays in the issue of certifications and temporary disruptions are likely



## **Increased costs for organic products**

- Due to higher costs for compliance and certification, the high risk of products losing their organic status, and the expected short or mid-term shortage of organic goods.
- Effects may vary for different products and origins.

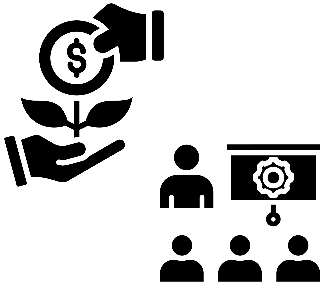


# Recommendations to support adaptation



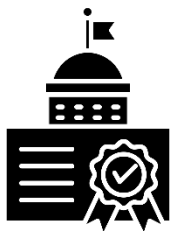
## Recommendations to organic traders and the European organic sector

- Information to suppliers.
- Consideration of the new challenges for producer groups in contracts and sharing risk.
- Accommodating the higher compliance costs in the value chain.



## Additional support and training programs

- Urgent need for training and technical advisory programs in many countries, e.g. train the trainer programs and country/regional ICS courses.
- Regional and/or sector-specific organic practice guides for EU organic certification; Update of existing production guides and training resources.
- Targeted financial and legal support to smallholder producer groups for initial adaptation.



## Policymakers

- Compilation of regulatory rules for organic production in third countries and official training courses.
- Adjustment of selected requirements in the ongoing legislative process (e.g. *organic turnover limit, temporary derogations or transitional rules*).
- More detailed data on group certification.

# Joining forces to support producer groups in the adaptation



# FiBL



Funded by  
the European Union



FAIRTRADE  
INTERNATIONAL



Traders

Organic CBs

# EU Organic Regulation: Fairtrade Producer Perspective & Readiness

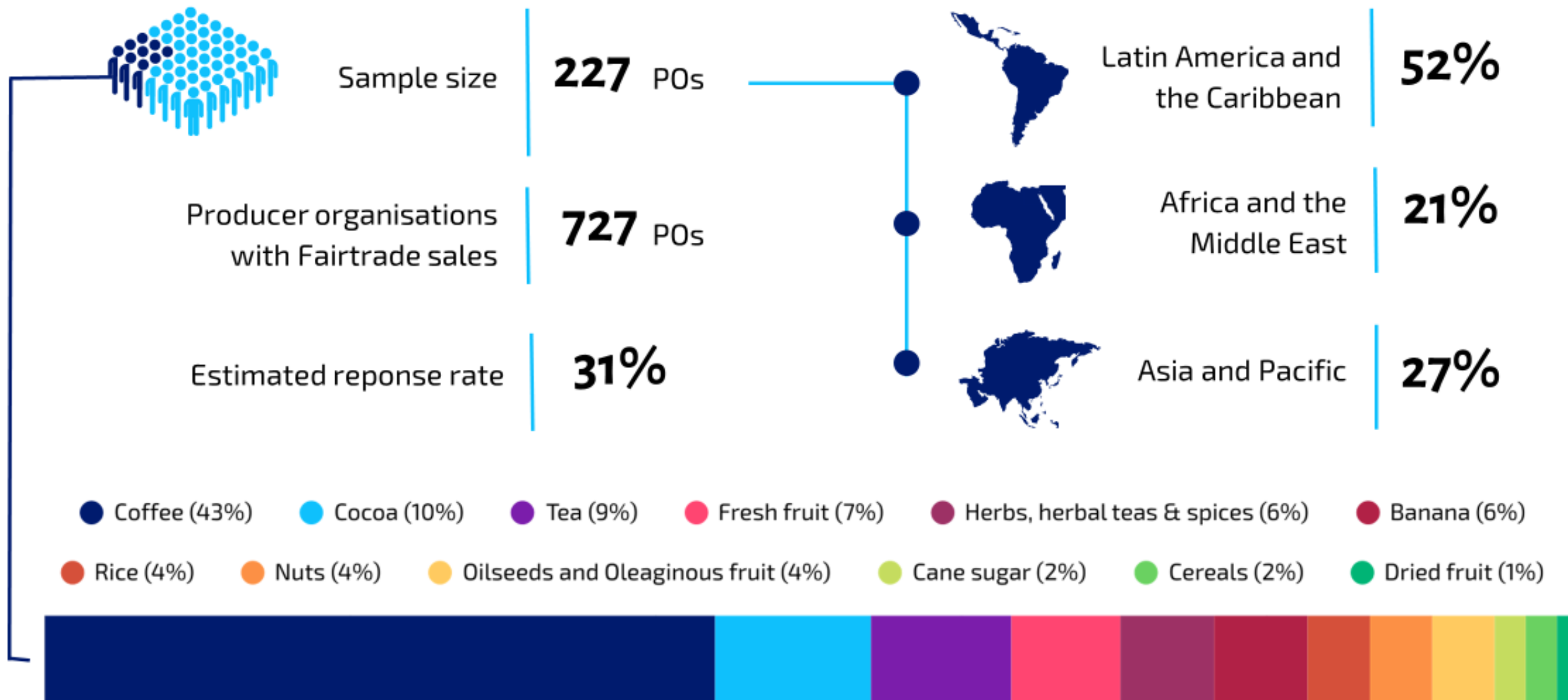
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Fairtrade organic certification survey  
- preliminary results

Andreas Kratz  
25 March 2025



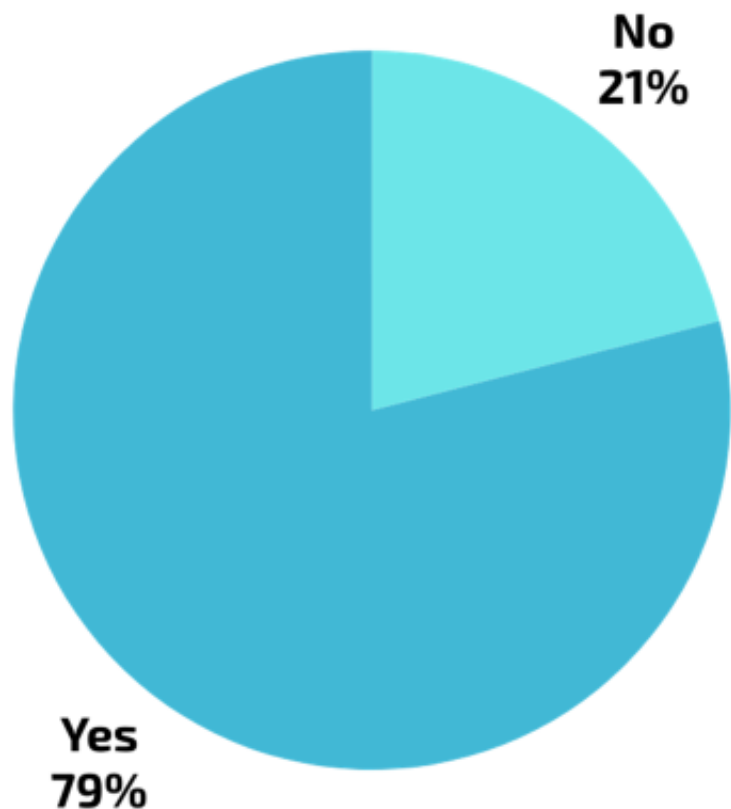
# Fairtrade organic certification survey 2025 - preliminary sample



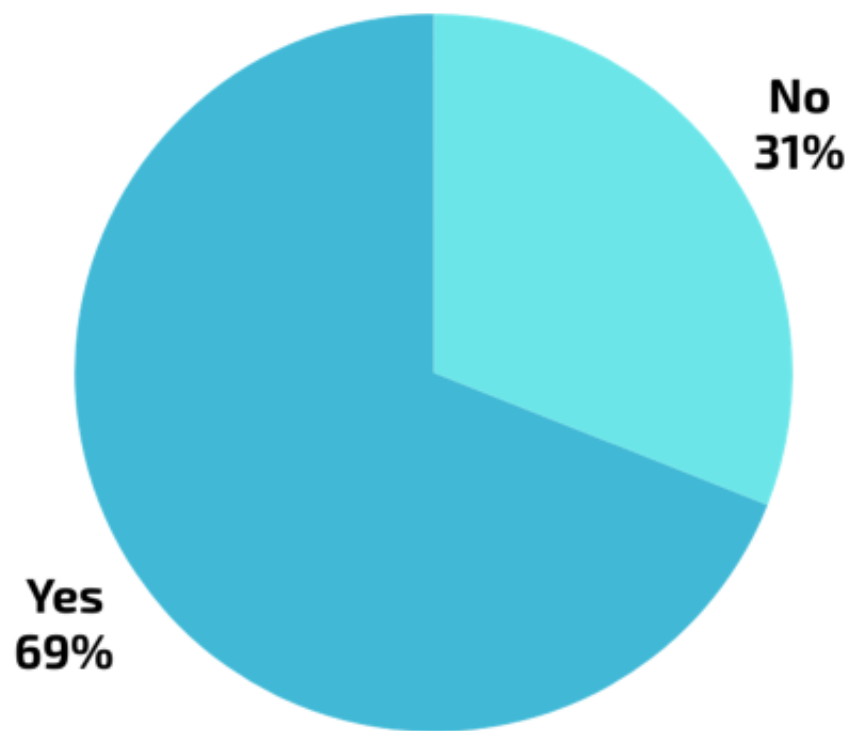
# EU certificate renewal – still in progress and a lot at stake



Are producer organisations working towards renewing organic (EU) certificate?



Are producer organisations challenged by new organic regulations?

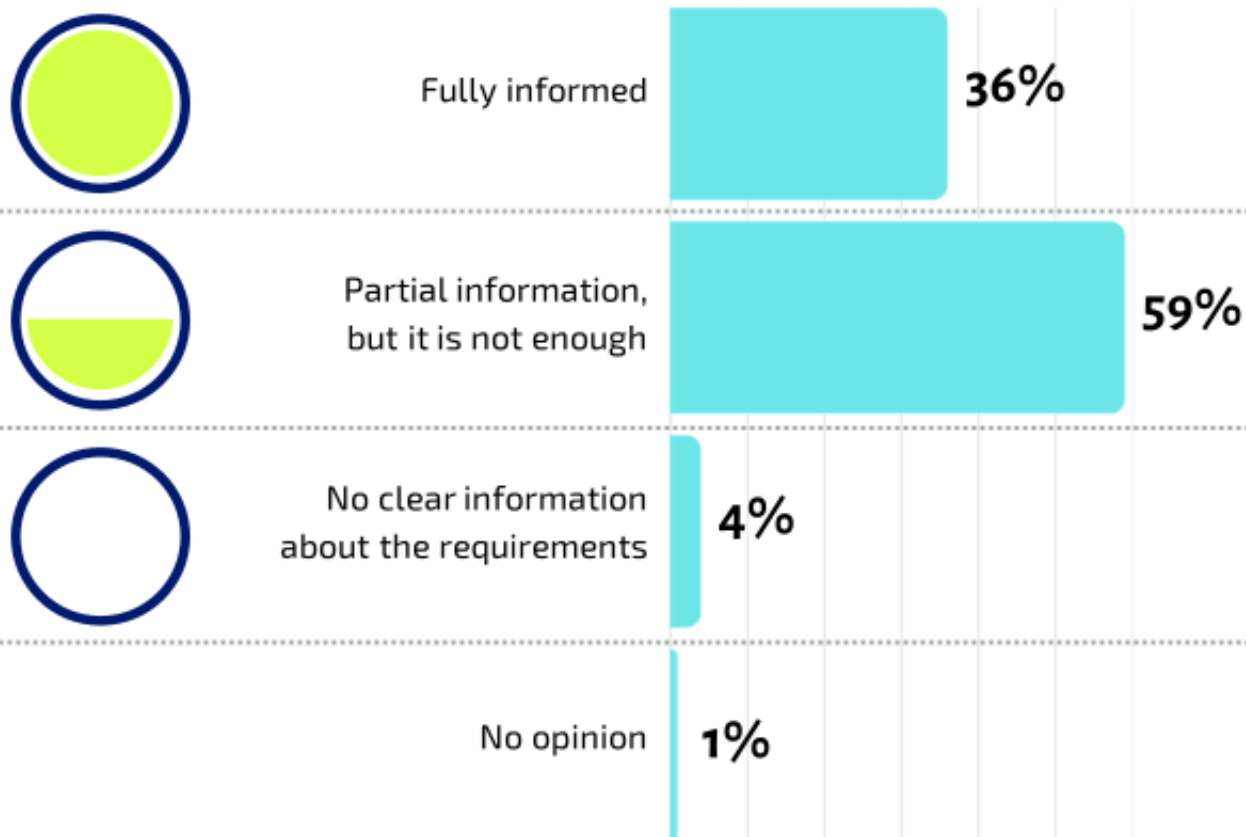




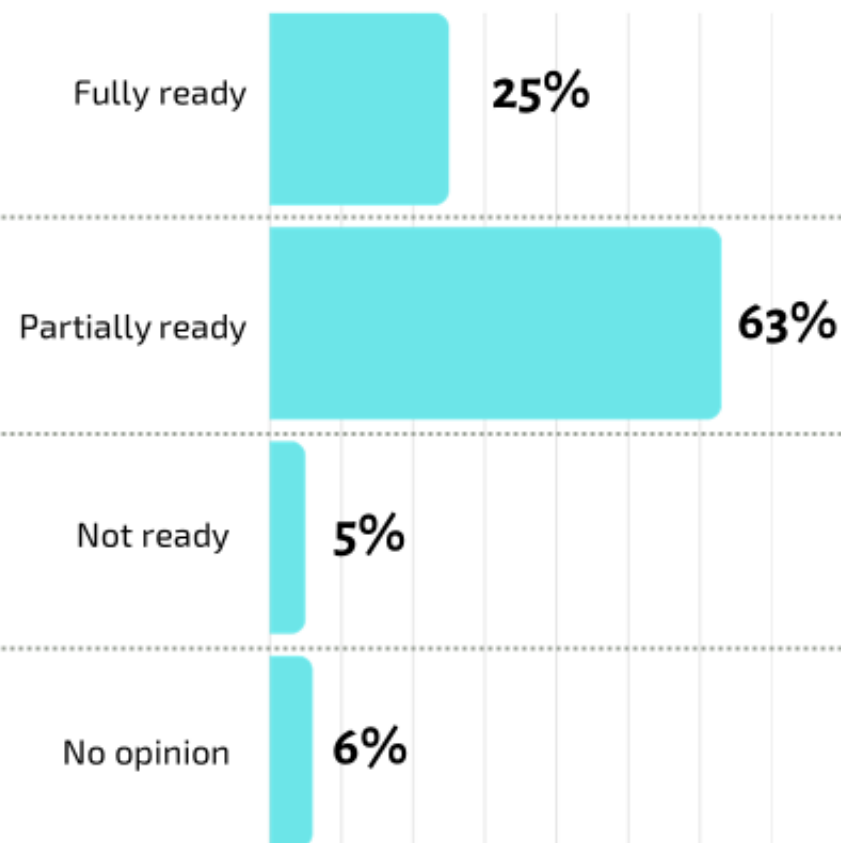
# Availability of information and Readiness – far from sufficient



## Do producer organizations have sufficient information to prepare for the compliance?

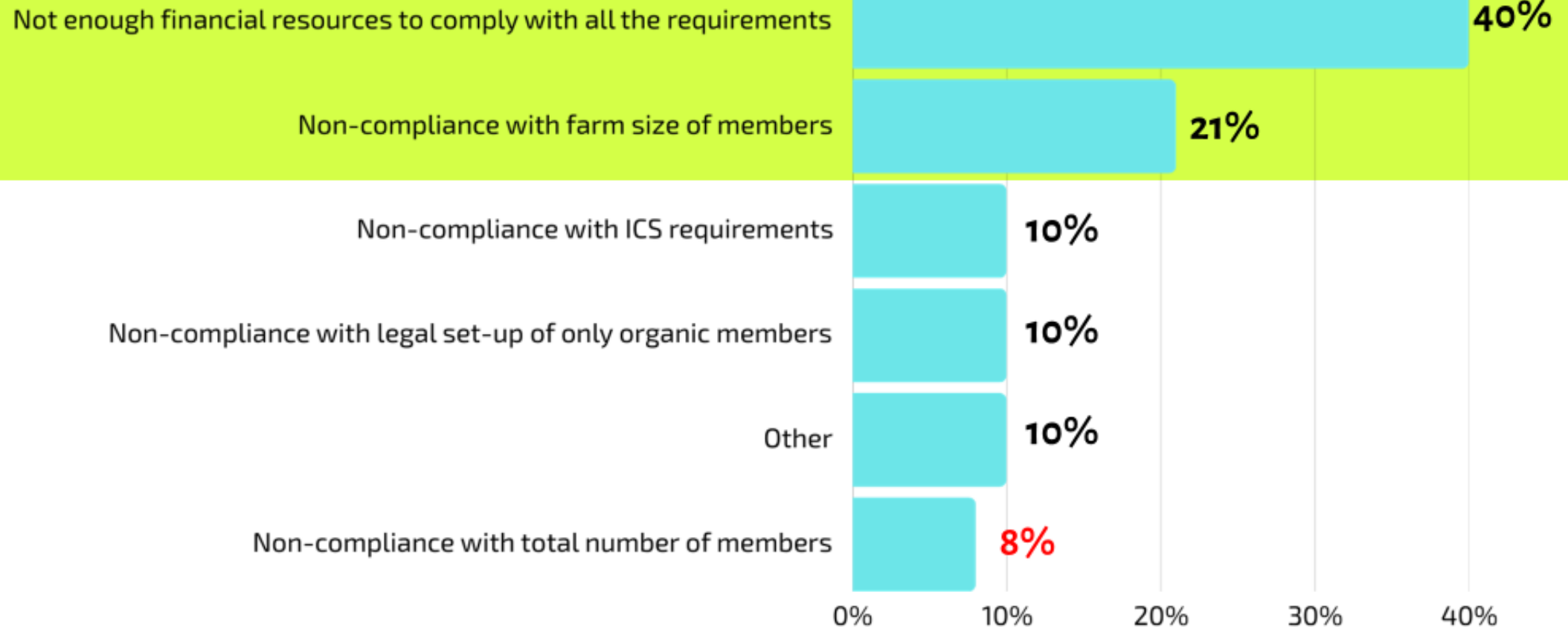


## How ready are producer organisations for the EU Organic Regulation?



# Main challenges – financial capacity and regulatory complexity

What are the main challenges producer organisations face in obtaining the organic certificate for the EU market?



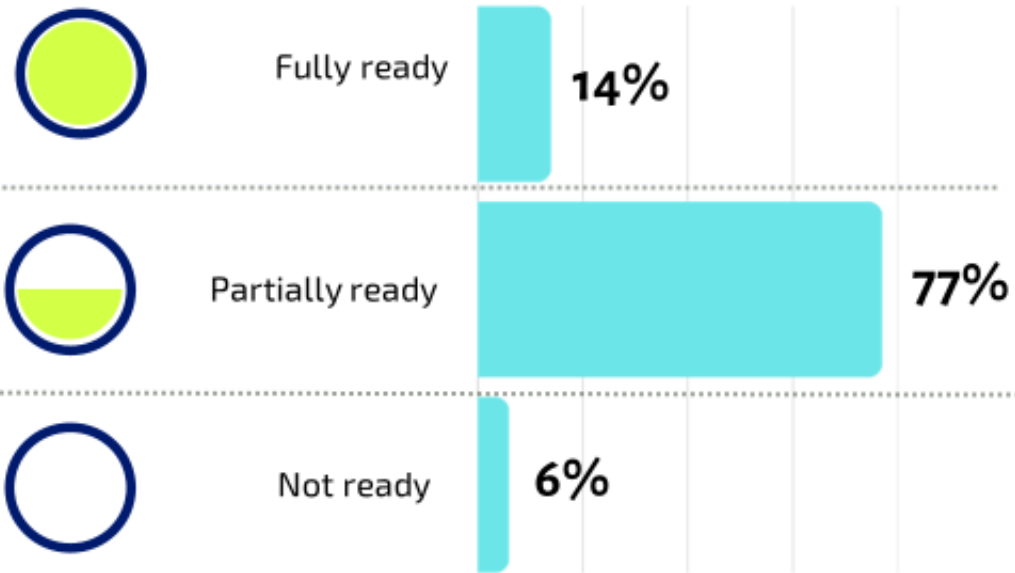


# Coffee

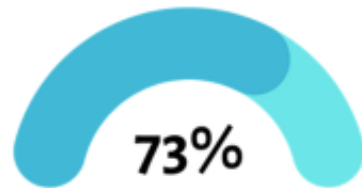
Sample: **97** producer organisations



## How ready are producer organisations for the EU Organic Regulation?



## Are producer organisations challenged by the new organic regulation? (% Yes)

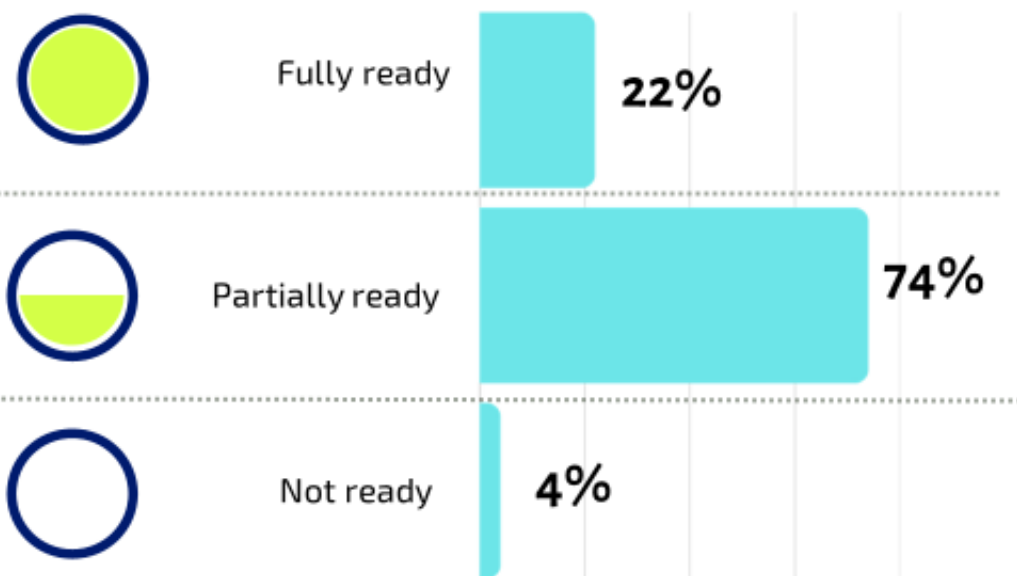


## What are the main challenges producer organisations face in obtaining organic certificate for the EU market?

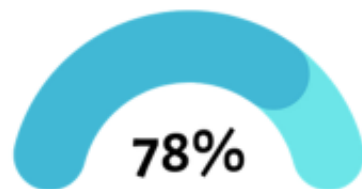
| Challenges   | %   |
|--|-----|
| Not enough financial resources to comply with all the requirements | 42% |
| Non-compliance with farm size of members                           | 23% |
| Non-compliance with legal set-up of only organic members           | 10% |
| Non-compliance with ICS requirements                               | 9%  |
| Non-compliance with total number of members                        | 8%  |



## How ready are producer organisations for the EU Organic Regulation?



## Are producer organisations challenged by the new organic regulation? (% Yes)



## What are the main challenges producer organisations face in obtaining organic certificate for the EU market?

| Challenges   | %   |
|--|-----|
| Not enough financial resources to comply with all the requirements | 39% |
| Non-compliance with farm size of members                           | 33% |
| Non-compliance with total number of members                        | 11% |
| Non-compliance with legal set-up of only organic members           | 8%  |
| Non-compliance with ICS requirements                               | 6%  |

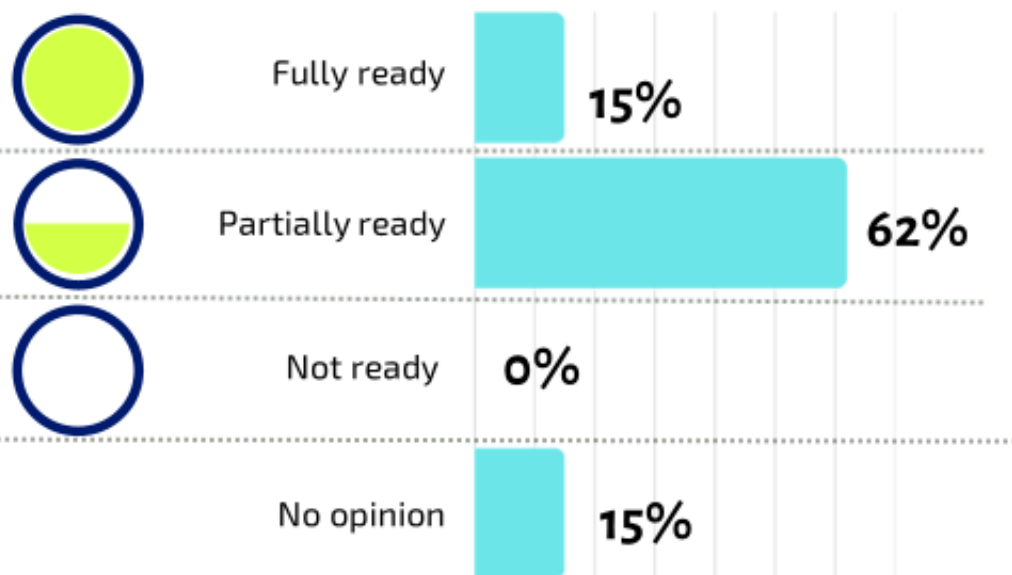


# Banana

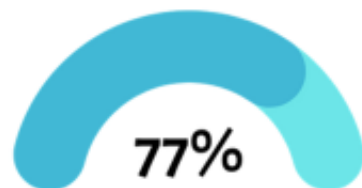
Sample: **13** producer organisations



## How ready are producer organisations for the EU Organic Regulation?



## Are producer organisations challenged by the new organic regulation? (% Yes)



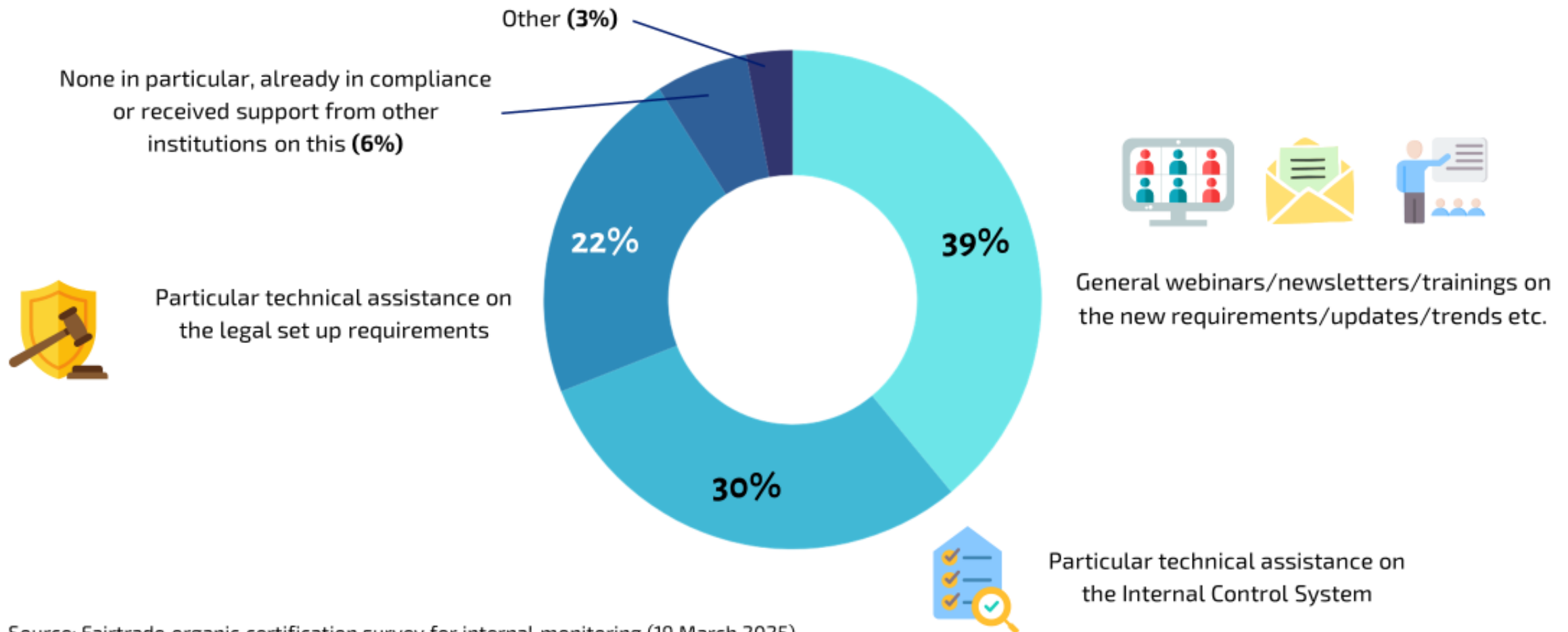
## What are the main challenges producer organisations face in obtaining organic certificate for the EU market?

| Challenges  | %   |
|---|-----|
| Not enough financial resources to comply with all the requirements  | 56% |
| Other (increased certification costs, stricter group certification rules, limited capacity to comply with new regulations, and risks of sanctions linked to OFIS reports) | 22% |
| Non-compliance with farm size of members  | 11% |
| Non-compliance with total number of members   | 11% |



# Technical assistance needs – quite diverse

What kind of technical support producer organisations would like to receive?



# Conclusions from a Fairtrade producer perspective

**Preparedness to meet new EU Organic regulation requirements during upcoming audits is not great.  
Producer organizations need a combination of:**



## I. More time

Likely too many producer organizations will receive major non-compliances. Time is too short to demonstrate corrective measures have been undertaken. If certified too late trade contracts will not be in place. If no trade contracts are in place certification renewal is less affordable. Once de-certified the new rules about land conversion apply with long term effect on supply.



## II. Better information

A lot from the new regulation is not fully known or understood. Easy to understand, consolidated and practical information material will make a difference.



## III. Targeted and affordable technical support

Too many producer organizations are challenged by the complexity of necessary adaptations. Legal and membership re-organization, and ICS improvements are the critical areas for support.

# Naturland & ICS: Providing expert guidance and tailored support to our global members

---

25.03.2025

Federica Varini

Organic Quality Assurance and Group Certification Specialist, Naturland e.V.

**Naturland**

From Farm to Future

# Challenges for Naturland Producer Groups with ICS





# Naturland guarantees quality worldwide

- Globally recognized certifier
- Individual & group certification
- Quality assurance in accordance with international standards



**128,000** producers

**750,000** ha of certified cultivation area worldwide

**1,780** partners in processing & trade

**61** countries

Approximately:

**4800** members in Germany

**3000** members outside Germany

**300** members outside Europe

**60%** are producers groups



## Africa



- Large groups (>2000) → several new legal entities → more costs
- Registration Challenges
- Exclusion of non-organic members from existent cooperatives
- Uncertainty over who will cover the increased costs upfront.

## Asia



- Many groups were originally organized by processors/exporters and now require restructuring.
- Risk of creating an excessive (unnecessary?) number of legal entities.
- Challenges in meeting member requirements, such as total landholding size.
- Difficulty in monitoring farmers registered in multiple groups for the same product.

## Latin America



- Traditionally strong organizations now face the need for restructuring.
- Exclusion of non-organic members from existing cooperatives.
- Several "oversized" members also need to be excluded.
- Adaptation is slow, with resistance to restructuring.

## Turkey



- **Organizational structure:** Most producer groups are currently structured with 100% individual control, which is also required to access national organic subsidies, now this system is not possible anymore for EU organic certification.
- **Cultural shift:** Farmers in Turkey typically view themselves as independent entrepreneurs, and the concept of ICS is foreign to their working culture.

## Increase of ....

- **Costs for certification** : not only for EU organic, but expenses also multiply across different voluntary certifications, pre-financing more difficult → likely impacting smaller organizations the most
- **Uncertainties**: Lack of clarity on who will cover costs, impact of increased sampling requirements (will CBs have the resources to keep up with increased findings?), etc...
- **Fraud & weak ICS Management**: Efforts are fully focused on adaptation; proper implementation of ICS might suffer and control as well.
- **Growing workload**: Increased burden on producer groups and certifiers, higher rate of decertification.
- **Transparency of organic supply chains.** 😊

# Naturland offers tailormade support and information





# Tailor made membership support and quality assurance

- ✓ Internationally recognized certification
- ✓ Competent education
- ✓ Quality assurance visits on-site
- ✓ Benchmark and trainings on the internal control systems
- ✓ Dedicated technical workshops and seminars, including various trainings by the Naturland Academy
- ✓ Regular members' meetings
- ✓ Lobby and public relations work





# Better information on new requirements

**MANUAL** Naturland

**EN**



**GROUP CERTIFICATION WITH INTERNAL CONTROL SYSTEMS**

Guidelines for smallholder organizations applying for Naturland certification



**MANUAL** Naturland

**ES**



**CERTIFICACIÓN EN GRUPO CON SISTEMAS DE CONTROL INTERNO**

Directrices para organizaciones de pequeños productores que solicitan la certificación Naturland



**MANUEL** Naturland

**FR**



**CERTIFICATION DE GROUPES AVEC SYSTÈMES DE CONTRÔLE INTERNES**

Directives pour les organisations de petits exploitants requérant la certification Naturland



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### 3.3.2 Membership agreement

Each member must sign a written membership agreement with the group. This agreement should be available in local language and be easily understood by the farmer. By signing this agreement, the farmers commit themselves to comply with the requirements of the ICS:

#### Regulation (EU) 2018/848 Art. 36.1 (h -ii) + 2021/279 Art. 5 (b).

- Comply with the organic production rules, including e.g. EU organic regulation or Naturland Standards (as summarised in the internal organic and social standard).
- Comply with defined ICS procedures.
- Ensure access to all fields, stores and documents/records and be present during the internal or external inspections.
- Accept sanctions in case of non-compliances and implement the required measures.
- Inform the ICS manager in case of suspected non-compliance.

**Important: If the GoO seeks Naturland certification, it's necessary to include Naturland references in the agreement between the GoO and its members**

In addition to the basic content for a membership agreement, it may also define closer the obligations and responsibilities of group members as well as ICS:

| Obligations of farmer:   | Obligations of ICS:   |
|--|---|
| <ul style="list-style-type: none"> <li>• Can only sell his/her own produce.</li> <li>• Must not sell to other buyers as organic.</li> <li>• Product quality requirements.</li> <li>• Participation in trainings</li> </ul> | <ul style="list-style-type: none"> <li>• Provide field extension service.</li> <li>• Provide trainings.</li> <li>• Establish price setting mechanism.</li> <li>• Define how/when to terminate the agreement.</li> </ul> |

### 3.3.3 Internal inspection report

After the membership agreement is signed, a full internal inspection needs to be done to the new members or to the new plots of existing members. The inspection report including any non-compliances are submitted to the ICS manager for approval. For more details about internal inspections, see section 3.4 Internal inspection.

### 3.3.4 Approval and sanctions

The ICS manager reviews and approves the inspection report (see section 3.5 Internal approval and sanction). If any non-compliances are identified, corrective actions are defined, recorded, and implemented. These corrective measures will be monitored during subsequent inspections to ensure compliance. The list of members is updated

Logo / Name of GoO

### Internal che

|                                     |   |
|-------------------------------------|---|
| Name of farmer:                     |   |
| Farmer code :                       |   |
| Location (village, community) :     |   |
| Farmer already certified last year: | <input type="checkbox"/> Yes<br>Certification st  |
| Standard applied:                   | <input type="checkbox"/> EU, <input type="checkbox"/> JAS, <input type="checkbox"/> US Fairtrade<br><input type="checkbox"/> Other (please sp |

### Production unit overview

List all plots managed by the farmer, including consumption, fallow fields, new plots, etc.

| Plot Number /code | Area (ha)                       | Main crop | Side crops | Rotation crops* (crops year 1, year 2, year 3) |
|-------------------|---------------------------------|-----------|------------|--|
|                   |                                 |           |            |  |
|                   |                                 |           |            |  |
|                   |                                 |           |            |  |
|                   |                                 |           |            |  |
|                   |                                 |           |            |  |
|                   |                                 |           |            |  |
|                   |                                 |           |            |  |
|                   |                                 |           |            |  |
|                   |                                 |           |            |  |
| XX ha             | <b>Total land of the farmer</b> |           |            |  |

Logo/Name of GoO

### Internal checklist purchasing center

|                                    |  |
|------------------------------------|--|
| Internal inspector name:           |  |
| Purchasing center staff:           |  |
| Location of the purchasing center: | Date of inspection:  |
| Standard to be applied:            | <input type="checkbox"/> EU, <input type="checkbox"/> JAS, <input type="checkbox"/> USDA, <input type="checkbox"/> Naturland, <input type="checkbox"/> BioSuisse, <input type="checkbox"/> Fairtrade<br><input type="checkbox"/> Other (please specify): ..... |

### Collection and purchasing

|   |                              |                             |
|---|------------------------------|-----------------------------|
| Are the raw materials purchased sourced only by members included in the list of members?<br><small>Check if the purchasing staff has the most up to date version of the list of members.</small>  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is a comprehensive record of all raw material collected/purchased within a specific timeframe maintained at the purchasing center or purchase office?<br><small>The record must include purchased amount, farmers ID, date, price, organic quality (Naturland), lot numbers if applicable etc).</small> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do members receive a purchase receipt following each transaction?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does the receipt contain at least the minimum necessary information regarding the raw material purchased?<br><small>The receipt must include Farmer ID, date, quantity, price, organic quality (Naturland).</small>   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is the certification status of the raw material and the one recorded on the purchase receipt always the same?<br><small>Check few receipts.</small>   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |



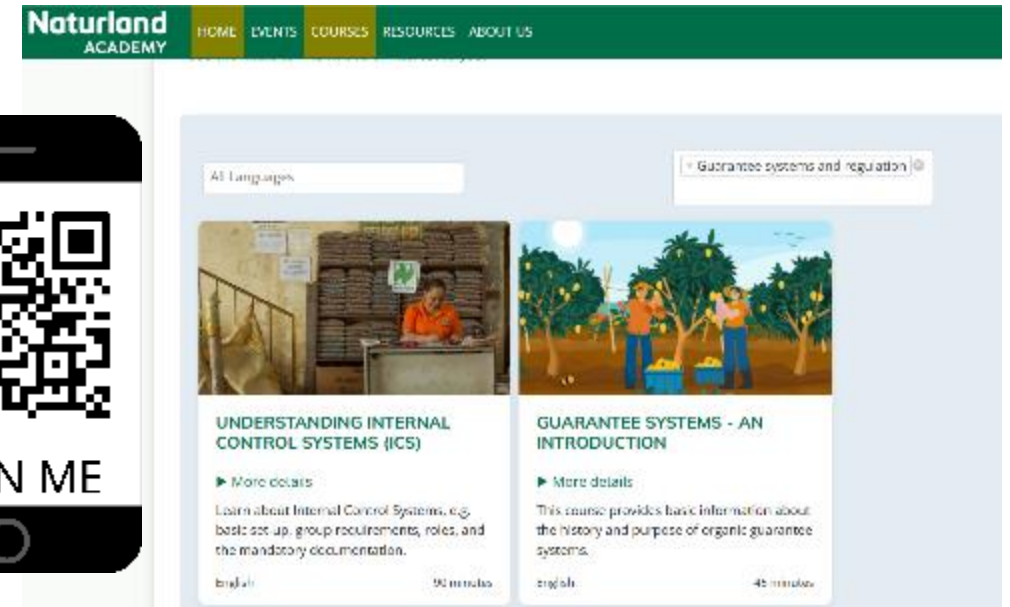
# Naturland capacitates



- Practical & accessible trainings on ICS (online and F2F)
- Member support – a direct contact person for every producer
- Network of experts & trainers worldwide
- Peer to peer learning; connecting Naturland farmers
- Online e-learning courses on ICS and guarantee systems:

**Naturland**  
ACADEMY

**270** free online learning materials & ecourses in **6** languages





**FiBL**

**IFOAM**  
**ORGANICS**  
INTERNATIONAL



# Q&A