USDA REVIEW OF THE EUROPEAN UNION ORGANIC PROGRAM

DATES OF REVIEW – May 18-25, 2011

1. INTRODUCTION

1.1. The U.S. Department of Agriculture (USDA) is engaged in ongoing discussions with representatives of the European Commission (EC) to establish a possible agreement to recognize each other’s organic production and handling standards for the purpose of international trade. To further inform these discussions, both parties agreed to conduct onsite reviews of each other’s organic accreditation, certification and production/handling systems. Prior to this review, on October 4-8, 2010, members of an EC delegation conducted an onsite review of the USDA National Organic Program (NOP), accredited certifying agents, and operations certified under the NOP.

1.2. On May 18-25, 2011, representatives of the USDA Agricultural Marketing Service (AMS) and the Foreign Agricultural Service (FAS) reviewed organic accreditation and certification activities in the Czech Republic and Spain. This report is an account of those activities and findings of the review.

1.3. Review team was comprised of:

1.3.1. Miles McEvoy, Deputy Administrator, AMS – NOP
1.3.2. Ruihong Guo, Acting Associate Deputy Administrator and Director of Accreditation and International Activities Division, AMS – NOP
1.3.3. Kelly Strzelecki, Senior Trade Advisor, FAS

2. OBJECTIVES OF REVIEW

2.1. The objective of the review was to evaluate the system capabilities and performance of European Union (EU) authorities and Member States in controlling the proper application and enforcement of the EC regulations for organic products.

3. LEGAL BASIS FOR THE REVIEW

3.1. The review was conducted at the invitation of the EC and was not part of a legal or regulatory enforcement function of the USDA.

3.2. The following statutes, regulations, and standards were considered in the review:

3.2.3. ISO/IEC 17011:2004(E) Conformity assessment — General requirements for accreditation bodies accrediting conformity assessment bodies.


4. PROTOCOL

4.1. The review was accomplished by observing competent authorities, control authorities, control bodies, and certified organic operations in two member states. In selecting competent authorities, control bodies and operations to be reviewed, the review team worked with representatives of the EC to select operations representative of organic products produced in EU member states.

4.2. The team reviewed each phase of the organic production, certification, and accreditation system to determine if the responsible authorities had the necessary controls in place to ensure traceability and compliance with the referenced organic standards.

4.3. At each member state competent authority office, the team observed processes used to evaluate the competence of the control bodies. The review team observed procedures relating to the certification of organic operations according to EC regulations in order to determine how compliance with the referenced organic production and handling regulations would be carried out. The review team also interviewed personnel to determine their knowledge of organic production, handling and certification practices and their qualifications with respect to their duties and responsibilities.

4.4. The team visited eight (8) organic production and handling operations to observe production, handling and labeling practices in order to determine the level of compliance accomplished by the certified operations. The review team interviewed farmers and other responsible parties at each site, and participated in meetings with the farmer, production managers and the control body.
4.5. The review team was accompanied by representatives of the EC throughout the review. At each of the certified organic operations visited, the team was also accompanied by at least one representative of the respective control body.

5. SUMMARY OF PREVIOUS REVIEWS

5.1. This was the initial onsite review of the EU program for the purpose of informing discussions on organic equivalence. There were no previous onsite review findings to consider for follow-up response.

6. DEFINITIONS

6.1. For the purposes of this report, Council Regulation (EC) No 834/2007 Article 2 Definitions for competent authority, control authority and control body are followed when these terms are referenced in the report. Specifically,

(n) ‘competent authority’ means the central authority of a Member State competent for the organization of official controls in the field of organic production in accordance with the provisions set out under this Regulation, or any other authority on which that competence has been conferred to; it shall also include, where appropriate, the corresponding authority of a third country;

(o) ‘control authority’ means a public administrative organization of a Member State to which the competent authority has conferred, in whole or in part, its competence for the inspection and certification in the field of organic production in accordance with the provisions set out under this Regulation; it shall also include, where appropriate, the corresponding authority of a third country or the corresponding authority operating in a third country;

(p) ‘control body’ means an independent private third party carrying out inspection and certification in the field of organic production in accordance with the provisions set out under this Regulation; it shall also include, where appropriate, the corresponding body of a third country or the corresponding body operating in a third country.

7. OBSERVATIONS

7.1. Report on Czech Republic Competent Authority and Control System

Competent Authority

The Czech Republic, as a member of the European Union (EU), applies the EU legal framework for organic agriculture. The Ministry of Agriculture holds primary
responsibility for applying and supervising the EU and national regulations, guaranteeing
the control system, and administering the national logo. The Unit of Organic Farming,
within the Ministry’s Department of Environment and Agriculture, performs the day-to-
day competent authority oversight over organic agriculture. There are currently three
control bodies authorized and supervised by the Ministry to conduct organic certification
activities in the Czech Republic. The Czech Institute for Accreditation accredits control
bodies according to the norm EN 45 011.

The European Commission conducts several meetings per year in Brussels to
which all member states send representatives from the competent authority. For the
Czech Republic, the Ministry of Agriculture is the competent authority. Meetings are
held for training, and for discussing and agreeing to proposed amendments to the
Commission regulation. Competent authorities are required to send organic production
statistics to the Commission on a regular basis. They must also send a seed report, noting
the organic seeds available and the conventional seeds used through derogations. Control
oversight for the competent authorities is the responsibility of the EC’s Directorate
General for Health and Consumers (DG SANCO), which requires each member state to
submit a manual for control oversight for all agriculture. The Unit of Organic Farming is
included in this report. DG SANCO conducts regular audits of competent authorities in
member states. DG SANCO conducted an audit of the Czech Ministry of Agriculture
oversight within the last year. It was noted that the Czech Unit of Organic Farming was
not included in the DG SANCO audit.

The Unit of Organic Farming consists of five employees – four
officials/specialists and one administrative assistant. The Ministry of Agriculture
requires that all its official/specialists have a bachelor’s degree related to a field of
agriculture. The Organic Unit follows this general requirement and seeks additional
qualifications related to its specialty when hiring staff members. All four specialists have
bachelor’s and master’s degrees in agriculture-related fields and all had at least two years
of experience working in the organic area at the time of hiring. Specialists are required to
not have any interest in any private business enterprises and to sign declaration of
confidentiality and disclose any conflicts of interest. The personnel files were complete
and contained up-to-date resumes, training records, confidentiality agreements and
disclosure forms. Specialists attend various training throughout the year, such as relevant technical training, annual training conducted for certification bodies, and training conducted by certification bodies.

The Organic Unit tracks written complaints it receives. In 2010, one complaint was received, investigated and resolved.

The Organic Unit does not have a quality manual.

Overview of Industry

In the Czech Republic, organic farming is called "ecological farming" and the organic products are called "bio products." According to the Czech Act on Ecological Agriculture No. 242/200, a bio product is a raw material of plant or animal origin or of an animal obtained from ecological agriculture in accordance with the relevant EU regulations. Bio foodstuff is a foodstuff produced in accordance with the EU regulations and the general Czech food legislation (Food Act No. 1997/110, Decree No. 304/2004 on Food Additives, Decree No. 205/2004 on contaminants, and Decree No. 446/2004 on adding food supplements).

In 2010, area under certified organic production totaled 448,202 hectares, and comprised 10 percent of total agricultural land. Permanent grassland comprised 82 percent of the land, followed by 12 percent arable, and 1.3 percent permanent crops, such as orchards. Organic production includes fruits, vegetables, grains, dairy products, meat, and herbs and spices. Products are intended primarily for domestic processors or for local consumption. In 2010, there were 3,517 organic farms and 626 organic food producers. Organic foods generated 0.75 percent of total food sales in 2010. Organic milk and dairy products account for more than one-fifth of the Czech organic market in value.

Certification Process

To become certified, an operation applies with one of the three Czech control bodies. Certification activities, including document review and an onsite visit, verify compliance with organic regulations. When the operation is found to be compliant, the next step is to register with the Ministry. All agricultural land is registered. The Ministry maintains a real-time database of all organic operators and detailed information about organic farms, such as maps, types of products grown, and size by product categories.
When the registration is complete, the control body may issue the organic certificate. Once certified, a certificate is issued for one year and subsequently, the operation is inspected annually. Control bodies conducted a total of 35 sample tests in 2010.

Nonconformities fall into three categories:

1. Minor non-conformities – written notice, correction demanded and checked
2. Moderate non-conformities – conditional certificate or certificate issued after corrections are taken
3. Serious non-conformities – refusal to issue certificate or certificate removed, and/or loss of subsidy

The control body must notify the Ministry of Agriculture for infringements mentioned in Organic Farming Act.

Penalties include removal of product or farm from organic certification and monetary fines. When a control body issues a non-conformance, a certified operation can appeal the decision to the control body. If operation is not satisfied with the appeal decision, an appeal can be filed with the Minister of Agriculture. Such appeals are reviewed by an advisory group of lawyers in terms of legal and regulatory procedures, rather than factual content. For example, certified operations can appeal the amount of penalties and the review would ensure that consistency with other cases is exercised.

Authorization and Supervision of Control Bodies

Requirements for control body authorization include accreditation by the Czech Institute of Accreditation and demonstration of appropriate technical and administrative infrastructure and staff expertise. Control bodies are supervised through annual office visits and witness audits (50 annually – 1.5%). Results are shared on the spot and also included in the annual report from the Ministry to the control bodies. In 2010, Central Institute for Supervising and Testing in Agriculture (UKZUZ), which executes state official controls, conducted 200 (5% of certified operations) unannounced inspections. UKZUZ also collected and tested 30 samples in 2010.

The USDA review team reviewed the 2010 audit report of KEZ, one of the three authorized control bodies. The audit was conducted in December 2010 and noted no noncompliances. The report documented the review of five areas:

1. Organization of staff and changes to management
The team also reviewed the files of four witness inspections conducted by the Ministry. The witness inspections evaluated inspectors’ performance related to the EU organic regulations. The witness inspections were well-documented, thorough and complete.

Derogations:

Seeds: UKZUZ maintains the Czech database for all seeds, organic and non-organic. The Ministry of Agriculture depends on UKZUZ to maintain this database and supplies a list of organic seeds to the EC. Producers must use organic seeds if available in the required variety in their country or EU member states that border their country. Producers can request to use conventional, non-treated seeds through their certifier. The certifier makes the request through the Ministry for approval. During audits, control bodies verify seeds purchased and derogation approval. The Ministry submits a list of seed derogations to the Commission on a regular basis.

Livestock: Derogations can be permitted for outside access during extreme weather (hot/cold), for the health of the animals.

Conversion period: Under the EU organic standards, conversion times are 2 years from planting or 3 years from harvest for perennial crops. Control body supervision and inspections are required during the conversion period. Under the Czech national rule, the requirement for control body supervision and inspection can be reduced after the first year of registration, and must be approved by the Ministry. This derogation is typical for grasslands. It is allowed in EC 889-Article 36.

7.1.1. Report Observations from Czech Control Body: KEZ CZ-BIO-001

Founded in 1999, KEZ was the first control body in the Czech Republic authorized to certify operations engaged in organic agriculture. It is accredited under EN 45011 (ISO Guide 65) by the Czech Institute for Accreditation. There is an annual focused evaluation and complete evaluation every 5 years. KEZ currently has 13 staff members (5 inspectors and 3 certification staff), certifying 1,650 organic farms and 200
organic processors, distributors, importers, and seed producers. KEZ also has private
certification programs, such as natural organic cosmetics, inputs, feed, and certification
of natural programs. KEZ maintains a quality management system, including staff
qualification requirements, resumes, training records, and declarations of confidentiality
and conflict of interests. KEZ requires its inspectors and certification staff to possess a
relevant university degree plus a minimum of three years of experience. KEZ maintains
a complaint log. KEZ conducted 17 sample tests in 2010.

The review team reviewed five certification files (one new producer, two certified
producers, and two certified processors). Files were complete and thorough. Detailed
maps and complete land history were available for all farm parcels through the Ministry
of Agriculture web portal. The KEZ database recorded many details for organic
operations and information is easily retrievable. Inspection reports utilize checklist
format and do not include comments or details concerning the audits conducted or the
input materials used. There is no record of input materials used or labels in the files.

7.1.2. Report Observations from Certified Operation #1

Operation #1 is a farm of 50 hectares with beef cattle and arable land, certified by
KEZ. The review team conducted a witness audit of a KEZ-inspector’s inspection of the
farm. The inspector conducted a comprehensive inspection. First, the fields and crops
were checked against records and maps of the farm. The inspector also checked
inventory of silage. Products grown are fed to the operator’s own cattle and sold to local
organic mills. Because the neighboring farm is conventional, a 6-meter buffer zone is
maintained. The operator reported that, by agreement, his neighbor does not spray in the
buffer zones. Generally, neighbors reach case-by-case agreements to reduce the potential
for contamination, because detected residues can be reported to the phytosanitary agency
and conventional neighbors are responsible for damages.

The inspector checked the condition of the cattle, pasture health, stocking rates,
and asked questions about how the cattle were fed, watered, and sheltered against bad
weather. The cattle were in good condition. The cattle stay indoors for the winter and
outdoors the rest of the year. Forage makes up 50% of the dry matter intake. The cattle
receive bluetongue vaccination. Antibiotics were used to treat navel infections, which
was followed by doubling of the withdrawal period.
At the operator’s office, the inspector checked all relevant records, including planting and harvest records, seed records, including derogations requested and approved, and records on yields and sales activities. Exit interview reviewed all critical criteria for the operator, explained the certification process, and noted no noncompliances. A copy of the inspection report was provided to the operator at the end of the inspection.

7.1.3. Report Observations from Certified Operation #2

Operation #2 is a goat farm of 170 hectares and 700 goats. In addition to pasture, the farm produces oats, wheat and barley for the goats. The farm is set in an idyllic environment and the animals were in good condition. All milk is processed at its own processing facility located onsite. The operator produces 10 types of products, including milk, yogurt and various cheeses. Antibiotics are not used. The goats are wormed with approved parasiticides (ivermectin) every 3 years based on veterinarian’s diagnosis.

The operator conducts organic workshops and seminars, and hosts farm tours.

7.1.4. Report Observations from Certified Operation #3

Operation #3 is a dairy farm of about 200 hectares (half pasture and half crops), certified by Abcert, another of the three control bodies in the Czech Republic. It has 43 milk cows and 74 heifers. All farm production is related to milk production. Peas, oats, and various grasses are grown as feed for the cows. Grazing season lasts from end of April to end of October. A milk processor comes twice a week to pick up the milk.

Operator reported that there are usually two inspections a year, one announced and one unannounced. The announced one includes an inspection of the fields and cows, and complete audit of records and documentation. The unannounced visit is usually a shorter visit in winter and checks housing condition and makes sure there is enough space and straw for the cows.

The operator reported that antibiotics are used only when there are serious infections, and, in such cases, a double withdrawal period is required. Minor infections are treated with homeopathic methods. Vaccinations are given in accordance with veterinary advice.

7.1.5. Report Observations from Certified Operation #4

Operation #4 is a dairy processor certified by Abcert. The processor also handles conventional milk. The operator receives organic milk from 10 suppliers certified by
KEZ and Abcert, and 95% of the milk is made into cheese products. Certificates are
maintained on file. Organic milk is accompanied with supplier signatures, brought in
through dedicated containers, and received at Tank 4, which is dedicated to organic milk.
Every container is tested for prohibited substances per government requirement. Organic
milk maintains a separate identity through the whole process and organic products are
processed at the beginning of the day. The review team conducted a complete tour of the
production process, from receiving to storage of finished products, and reviewed the most
recent inspection report. Organic products and ingredients are clearly labeled. The team
also checked ingredients of enzymes in storage. Operator reported that the last inspection
lasted over 4 hours and included inspection of production process, records of milk
purchased and products sold, cleaning process and agents, and inputs.

7.2. Report on Spanish Competent Authority - Ministry of Agriculture

**Competent Authority:**

In Spain, there are two levels of oversight – the competent authority of Spain,
which is the Ministry of Environment and Rural and Marine Affairs (MARM,) in Madrid,
and the 17 autonomous communities which are competent authorities in their respective
communities.

MARM serves the central function of coordinating with the EU and other member
states on behalf of Spain, and channels information between the EU and the autonomous
communities. The EC Directorate-General for Agriculture and Rural Development,
Organic Farming – Unit H.3, has no direct relationship with the communities. MARM
conducts regular meetings to coordinate a Spanish position on EC regulations, exchanges
information from the EC to the communities and from the communities to the EC, and
issues import permits for organic products from third countries. MARM represents Spain
at EC meetings and at international institutions with representatives from the regional
authorities attending on a rotating basis. Before the meetings, MARM sends all
documents to be discussed to the regional authorities and industry sector for input.
Following the meetings, MARM reports back to all parties. MARM collects and submits
information from the communities to the EC on statistics, evaluation work, seed
derogations, and control visits. MARM also establishes guidelines for food quality
control, promotion of food stuffs, and coordinates the Spanish position to represent the
regional competencies. MARM indirectly provides training for regional competent authorities through a contract with Inter Eco.

DG SANCO is responsible for auditing control systems for all EU member states. It appears the last performance audit of MARM’s control system from DG SANCO was in 2000. In 2009, MARM received a visit from DG Agriculture and the EU Court of Auditors. DG SANCO is also responsible for auditing all of Spain’s competent authorities.

The autonomous communities are independent competent authorities and authorize public and private control bodies to certify organic production in their communities. Of the 17 communities, 14 communities authorize only government control bodies to operate, two (Andalucia and Castilla La Mancha) utilize private control bodies, and one (Aragon) has both. The regional competent authorities authorize and supervise the public and private control bodies, and handle infringements and complaints in their communities. Autonomous communities maintain databases of operators and control bodies. Operations that operate in multiple regions have to be registered in all regions. MARM has no official relationship with regionally authorized control bodies, and its relationship with the regional competent authorities is one of coordination rather than supervision.

Overview of Industry:

In 2009 (the latest data available), Spain’s area in organic production totaled 1.6 million hectares, and represents the largest of any EU member state. 571,000 hectares are cultivated. Production in Spain has shown steady growth from just 4,235 hectares in 1991. However, not much growth is expected from 2010 figures. The regions with the largest production acreage include Andalucia, Castilla-La Mancha, Extremadura, Catalonia, and Aragon. Of the total area under organic production, 45 percent is pastures and prairies, 35 percent is crops, and the rest is woodlands. The number of certified organic operations in 2009 totaled 27,627. Products include cereals, olives, olive oil, dried fruit, livestock, milk and dairy products, and other fruits and vegetables. According to the EC report “An Analysis of the EU Organic Sector,” Spain has the largest area under certified organic production and in-conversion combined, but consumption of organic products within Spain remains low. Eurostat data from the same report notes that
the organic share of total food expenses in Spain amounted to 0.2 percent in 2007. About 50 percent of organic food consumption in Spain is from imported products. Another limiting factor in Spain is that only 20 percent of conventional supermarkets carry organic products. However, this leads to a strong export market for Spanish organic products. MARM estimates Spain’s exports at approximately 980 million Euros ($1,412.8 million). Of that total, approximately 36 percent is fresh product and 46 percent is processed.

**Authorization and Supervision of Control Bodies**

Provisions of regional laws specify requirements for the authorization of control bodies. Entidad Nacional de Accreditation (ENAC), supervised by MARM, is the official accreditation body in Spain, and accredits organic control bodies under EN 45011, laboratories and other certification bodies in Spain. ENAC receives a peer review every 4 years and was last reviewed in February 2011. The review was conducted based on EC765, and covered review of staff resources, quality management system, equipment and methods, and reporting activities. ENAC has about 450 auditors, 10 of whom are organic auditors. There are also five organic technical experts. Qualification requirements for organic auditors and experts include related academic degrees, five years of experience in related fields, and observation of five audits.

ENAC accreditation is required for private control bodies and voluntary for public authorities. Accreditation process includes evaluation of all application materials, a desk audit, an onsite audit, office visit, and witness inspections. To maintain accreditation, control bodies are audited again at 18 months and reevaluated after 4 years, followed by a 5-year cycle thereafter.

Currently, ENAC has accredited 6 control bodies and one public control authority in Spain. Five additional public control authorities are in the process of being accredited. Not all control authorities operating in the autonomous communities are ISO 65 or EN 45011 accredited.

**Derogations:**

The regional competent authorities maintain lists of approved seed and seed potato derogations. These lists are provided to MARM, which creates an annual report for the EC. Producers are required to use organic seeds if available in the required
variety in their country or EU member states that border their country. Producers can request to use conventional, non-treated seeds through their control bodies. During audits, control bodies verify seeds purchased and derogation approval.

It did not appear that other derogations on shortening the conversion period are approved on a routine basis in Spain. However, much of the production witnessed on this trip was in perennial horticulture crops, which take several years to reach full production, unlike land being converted to row crop production.

7.2.1. Report on Competent Authority of Castilla – La Mancha

Castilla - La Mancha is one of Spain’s 17 autonomous communities. There are about 4700 certified operations in this region. A database of certified operations is maintained and updated annually. The Consejeria de Agricultura oversees environmental and agricultural matters, and serves as the competent authority. A regional law, based on EU regulations and similar to those of other regions, regulates all aspects of agricultural production, food quality, and the authorization of control bodies. The competent authority is audited by an EU audit team every 4 years. An audit was conducted last year. Staff qualification requirements include academic studies, relevant work experience and regular annual training.

In Castilla - La Mancha, four control bodies have been authorized to certify organic production. All four are accredited by ENAC. Two additional requests for authorization are being reviewed. Control bodies are audited by the competent authority once a year. The audit consists of file review and witness inspection. A draft report is issued for response. Currently, 2010 reports are being drafted.

The competent authority requires that sampling and testing be conducted by ENAC-accredited labs. Sampling and testing has been done, but data on tests results are not maintained. Positive results were reported to be fairly low. Enforcement sanctions against violations of organic regulations include issuance of noncompliance notice, withdrawal of certificates, and withdrawal of EU financial aids. The Department of Quality Control can levy fines for frauds. Last year, in transition phase for EC regulations, no certificates were withdrawn; however, 327 noncompliances were issued, citing mostly administrative irregularities. Complaints are tracked and investigated. In 2010, there were about five complaints.
Derogations from EU regulations, such as use of conventional seeds and shortening conversion period, are granted by the control bodies. Operators have to request use of conventional seeds, approvals may be granted, report forwarded to MARM, and then forwarded to EU annually. The conversion period may be reduced by control bodies, but there are very few requests - 1% of 4910 operators in 2009. For example, a research project that has been controlled all along can be certified upon request.

7.2.2. Report Observations from Control Body - SOHISCERT S.A.

SOHISCERT S.A. is headquartered in Seville. Its main certification activity is organic farming. It also certifies wine for Global GAP. Accredited by ENAC since 2000, it has 28 staff members. Staff qualification requirements include college degree in agricultural engineering, veterinary science, environmental sciences, food technology or biology, as well as 2 years of experience. Regular training is conducted and documented. Staff qualifications, training records, and conflict of interest and confidentiality documents are well documented. SOHISCERT S.A. is audited by ENAC annually and by the Regional competent authority annually. The audits generally last two days, one day at the office and one day at witness inspections.

SOHISCERT S.A. certifies about 3,500 operations. The certification process consists of review of application materials, desk audit, onsite audit, corrective action process (if relevant) and granting of certification. Subsequently, an annual inspection is conducted. Enforcement actions include issuance of noncompliance notices and withdrawal of products from the certificates. SOHISCERT S.A. maintains a live system of certified operations. SOHISCERT S.A. defines and tracks complaints at three levels: 1. Appeals by operators of Sohiscert decisions, which are handled by the Commission of Advisors, an outside organization that reviews the appeals and makes decisions; 2. Operator complaints against Sohiscert; 3. Third party complaints. Complaints average about five or fewer each year, and are investigated and resolved.

7.2.3. Report Observations from Certified Operation #5

Operation #5 is an olive farm of 100 hectares, 75% of which, half organic and half conventional, is in production. The operation also processes organic and conventional products. Between products, the machines are washed with pressured hot
water. The review team reviewed the buffer zones and asked questions about soil, weed and pest management. Operator reported use of approved fertilizers, use of copper to kill diseases and fungi, and scale treatment with garlic extract. The conventional portion of the farm, managed by the same operator, does not spray. Operator reported that the last inspection was in May 2011 and included a complete review of borders, buffer zone, soil and disease management, and complete review of production and sales records. Two samples have been taken by the control body and both were negative. Operator also tests samples regularly.

7.2.4. Report Observations from Certified Operation #6

Operation #6 is an organic citrus operation. The review team asked questions about disease treatment and soil management. Red scale, white fly and fungi are common problems. Operation uses sheep manure, and liquid fertilizer, delivered through the irrigation system. Bleach is used to clean the system. The liquid fertilizer is certified for organic production; if not, the control body would check and evaluate the ingredients.

7.2.5. Report Observations from Certified Operation #7

Operation #7 is an apricot farm and became organic in 1997. The operator uses composted sheep manure as fertilizer. Sulfofuq from limestone is used to control fungi and has to be authorized by the control body. Ground covers are not grown because they absorb water from the trees. In this particular region, due to the extremely low rainfall in this area, the groundcover is ploughed in March. The operator stated that in these climatic conditions, keeping the groundcover the whole year leads to premature defoliation and general deterioration of the trees. The operator is not sure whether the neighboring farm is conventional or organic, but because the neighboring field is lower (on a separate terrace), there is less concern about drift.

7.2.6. Report Observations of Certified Operation #8

Operation #8 is an almond processor. It is a cooperative of 6,500 producers and 60,000 hectares. Of these, about 850 are organic producers, cultivating about 8,000 hectares.

7.2.7. Report on Control Authority and Control Body in the Valencia Autonomous Community
The Generalitat Valenciana, Conselleria d’Agricultura, Pesca i Alimentació (CAPA) is the competent authority in the Valencia region. Comitè d’Agricultura Ecològica de la Comunitat Valenciana (CAEVA) is the control authority for organic production, promotion, and regulation enforcement in this region. CAEVA is public and nonprofit. Staff qualification requirements include, at a minimum, degree in agriculture engineering, related experience, in-house training focused on specific areas, and refresher courses to keep up with changes.

The control body, CAEVA ES-ECO-020-CV, is an independent body within CAEVA and oversees organic certification in the Valencia region. It reported that it has a quality management system, operates in compliance with EN45011-ISO65, and has applied for accreditation by ENAC, although not yet accredited. ENAC has conducted onsite and witness audits. Corrective actions are being reviewed and another visit will be conducted. The competent authority does not conduct witness inspections of the control body. Currently, there are 1,853 certified operations, and around 65,647 hectares of certified land in the Valencia region.

Certification is accomplished through the certification committee composed of 8 members with various expertise and background. Certification process includes review of application materials, document audit, onsite audit, and certification decision. The Committee of Parties, nominated and elected every 4 years, representing producers, industry, and consumers, oversees the work of the control body and ensures that rules are applied consistently. Noncompliances are usually detected during inspections, and operators have 15 days to correct or present additional information. If product integrity is compromised, a case can be initiated to stop the sale of the implicated product(s) as organic. Operations have 30 days to appeal, during which the certificate is temporarily suspended. Appeals are filed with the Committee of Parties and reviewed for procedural correctness. Decisions are not changed unless procedures are not followed. Maximum penalty is withdrawal of certificate. Frauds are handled by a separate unit which deals with frauds of all types.

A complaint log is maintained. In 2010, four third party complaints were received and resolved. A sampling plan is prepared on an annual basis, based on a risk analysis of all operators (1-5 levels). Risk levels of 3-5 are sampled and tested. In 2010,
155 samples collected from 1832 inspections were tested, and 42 showed positive residues and were addressed depending on the situations.

8. CLOSING MEETING

The review team conducted a closing meeting with EC officials in Albal (Valencia), Spain on May 25, 2011. At the meeting, the U.S. review team provided a complete summary and discussion of all findings in this report.

9. INTRODUCTION TO FINDINGS

The assessment activities took place in two of the EU’s 28 member states.

10. FINDINGS

10.1. Finding 1. The European Commission’s Organic Farming Program (section H.3) does not conduct on-site audits of competent authorities’ organic programs. The Commission supervises the control systems set up by the Member States. In particular:

- Organic controls form part of the Official Food and Feed Controls (OFFC) that are governed by Regulation (EC) No 882/2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules. Implementation of the OFFC in the Member States is supervised by the FVO of DG SANCO. The FVO carries out audits in the Member States to verify that official food and feed controls, including organic controls, are carried out in accordance with the Community law.

- The audit service of DG AGRI carries out audits of agricultural expenditures that are paid to MS from the Community budget. Organic farming is also supported, mainly through rural development aid paid in the form of agri-environmental measures. Therefore organic farming is in the scope of audits of agri-environmental measures.

- Unit H.3 provides assistance to the services mentioned above in relation to specific issues with regards to organic farming. It also carries document reviews of reports and notifications from MS and in case of doubts concerning application of organic farming legislation by a MS, it follows-up the issue with Unit M.3 (Monitoring of application of agricultural legislation, infringements and complaints). Unit H.3 carries out a regular review of information available (notifications and reports from MS, audit reports from other Commission services) and takes action in respect to a particular MS when necessary.

10.2. Finding 2. The inspection reports reviewed in the Czech Republic relied on check boxes. There was a lack of observations and evidence recorded in the inspection reports. We observed a thorough inspection during the witness audit in the Czech Republic but there was a lack of detail within the inspection report. The lack of detail
and the reliance on check boxes make it difficult for control bodies and competent authorities to fully evaluate organic operations’ compliance with the EU requirements.

10.3. **Finding 3.** Government certifying agents (control authorities) are not required to be accredited under the EU organic regulations. In Spain, Valencia’s control authority (CAECV) voluntarily agreed to be accredited by ENAC, Spain’s accreditation authority. Most government certifying agents operating in Spain are not accredited.

10.4. **Finding 4.** Antibiotics are used in organic livestock production.

10.5. **Finding 5.** Inert ingredients are not reviewed or restricted in pesticide or fertilizer inputs.

11. CONCLUSIONS AND RECOMMENDATIONS

General Observations:

1. Producers and processors appear to comply with EU organic standards. Records are thorough and complete.
2. Inspections are conducted by qualified personnel. Inspections are thorough and complete and note all non-compliances found.
3. Samples are collected, and risk assessments and unannounced inspections are conducted.

END OF REPORT