

# Support for Organic Certification

**Pacific Organic Policy Toolkit**  
<http://www.organicpasifika.com/poetcom>

## **Support to Organic Certification**

### ***Political justification***

Certification costs are an added expense for organic farmers that are not a factor for conventional farmers. Especially for small producers requiring third party certification for export or to satisfy other buyers, the proportional cost of certification can be significant and constitute a barrier for conversion to organic production. So to create a more level playing field for organic producers and support conversion, many governments have decided to subsidize the cost of organic certification for at least certain categories of producers.

Another reason for government to partly or fully cover certification costs is to help ensure equal access of all operators to the service, across the territory and across all farming systems. Indeed, most often, private certification bodies charge operators for the cost of travel to their location, as well as time spent on their audit, etc. This can result in unequal access to certification, for example where operators in remote areas of a country, and those with diversified production systems have to pay more for certification, which can be considered unfair competition and detrimental to rural development objectives. A certification support system whereby certification costs are refunded to farmers or paid directly to certifiers, or whereby certification is provided free of charge by a government certification agency can help correct such disparities.

### ***Suitable contexts***

Support to organic certification is a measure suitable to all contexts and all policy objectives.

### ***Possible modalities of implementation***

There are two main ways for governments to support the certification of organic farmers. In a few cases, governments have established organic certification programs themselves and offer it on a no-cost or low-cost basis. This requires knowledge and training of certification staff within the Ministry. One consideration for this option is whether the government certification would be effective for exports to countries that regulate organic agriculture and trade, and have specific requirements for recognizing foreign certification bodies.

The other main avenue of support for certification is the provision of subsidies for certification. This is the most common approach, employed by both developed and developing countries. The mechanisms and rates for the support vary. Most operate on a rebate basis, where the operator pays the cost up front and is then reimbursed upon proof of certification. In some cases the government payments are made to certification bodies or producer cooperatives, which distribute payments to the producers. The subsidies can be for a share of the total certification costs or full

cost. The most common is for a majority share of the costs but with a cap. Some subsidy programs are time-limited and aimed to support conversion.

### ***Countries examples***

#### ***Government Certification***

Lao: The Lao government established a national organic standard in 2005 but does not regulate the domestic organic sector. The Laos Certification Body (LCB) was originally established in 2008 through a project of the international development organization, HELVETAS, and approved by the Department of Agriculture as part of its Clean Agricultural Development Centre, which focuses on facilitation GAP certification and organic production. In 2011 the LCB was moved to the Standards and Accreditation Division of the Department of Agriculture. Although the LCB has no international recognition for its certification, it is widely accepted within the country as the official certification body. About 25% of Laos' organic farmers are certified only by LCB for domestic markets and nearly 75% are jointly certified by LCB and a foreign certification body to enable both domestic and export market access. LCB provides inspection and some other front-end services for the foreign certifications bodies through a coalition called Certification Alliance, which lowers the cost of these external certifications to producers. The fee structure for the LCB certification to the national standard is set annually by the DOA, but kept low in order to support conversion to organic production.

Denmark: Certification is provided free of cost to operators with a government-run certification system using civil servants. According to the NGO, Organic Denmark, this has freed up the private organic sector to invest its energy and resources in new directions to grow the sector. Certification is perceived as no longer a cutting-edge strategy for sector development in this country. Also the engagement of civil sector personnel on farm with operators and managing the certification system has resulted in knowledge building in both the government and private sector that has enhanced dialogue and mutual support between government and the private organic sector.

#### ***Certification Subsidy***

Pacific Islands: The Samoan Government supports the organic movement by paying 100% of costs for the annual organic audit funded through the Ministry for Commerce, Industry and Labour. This program was initiated by the Organic Advisory Committee, chaired by Samoa's Prime Minister. The number of participating farmers is nearing 600. The initiative has had a positive impact on the number of Samoan organic farmers land under organic management. These farmers are connected with the organization, Women in Business Development Inc., which provides a coordination point for the government and producers. The governments of Niue and Tonga also provide financial supports for organic certification.

United States: The National Organic Certification Cost Share Program (NOCCSP) and Agricultural Management Assistance Organic Certification Cost Share Program (AMA) are financial assistance programs that help cover the costs of organic certification for organic operators. Not a full-cost support, organic cost share programs provide reimbursements of up to 75 percent of annual certification costs, and to a maximum payment of US\$ 750 per year per farm. NOCCSP is available nationally, while AMA is available only in certain states in the northeast and west. To receive certification cost share funds, a USDA-accredited certifying agent must certify the farmer or handler. Each year, farmers and handlers can apply through their State Departments of Agriculture for certification cost share funds, regardless of whether the person is new to organic farming or has been farming organically for years.

European Union: EU Member States have adopted different approaches to refund certification and inspection costs of organic farmers. Several countries/regions use Measure 132 (“Participation of farmers in food quality schemes”) to cover parts of, or up to 100% of the certification and inspection cost incurred by farmers (Austria, France, Belgium, Cyprus, Estonia, Greece, Malta, the Netherlands, Poland, Portugal, Slovenia, most regions of Italy and Spain as well as in parts of the UK). Flanders and Wallonia (Belgium) as well as Greece introduced the support scheme for organic farmers in 2011. These schemes are usually also open to farmers participating in other approved quality schemes.

Tunisia: The subsidy package covers 70% of the cost of certification and inspection for both individual and group organic producers. Individual farmers can benefit from this package for the first five years of adoption of organic farming with the total subsidy amount not exceeding TND 5,000 (US\$ 3000) per annum. For group producers and associations, the conversion subsidy can be accessed for the first 7 years of conversion at a ceiling amount of not more than TND 10,000 (US\$ 6000) per year

The Philippines: Certification cost support is mandated in the Organic Agriculture Act of 2010 (RA No 10068). The current full certification cost support program funds micro, small and medium enterprises engaged in local food and input productions for all certification costs for up to three annual certification cycles. The subsidy is administered through the Regional Field Office. Costs covered include application and certification fees, inspection and laboratory costs. Reimbursements range from US\$ 1000 to US\$ 3300 depending on the number of scopes and whether the operation is an individual or a group. The producer applies, post- certification, to the Regional Field Office (RFO), which assesses and decides on the application. The subsidy is on a reimbursement basis. Payment is made by the RFO to the certifier. The certifier then reconciles this payment with the client.

China: In China, there are some 80 local government policies providing certification subsidies to organic farming enterprises, accounting for more than 50% of all local

policies related to support for organic farming. Individual subsidies range from US\$ 1500 to US\$ 8000, indicating that subsidies are going to large farming enterprises and/or organic production groups.

