

Equivalence vs. Compliance for imports: What are the dangers?

Fanny Lardier – Felcoop deputy director

Conference at the European Parliament, Brussels
The end of the European Organic Label?
Tuesday 21 November 2017

What is Felcoop?

Felcoop is the acronym for *Fédération Française de la Coopération Fruitière, Légumière et Horticole*, meaning the **French professional federation for the cooperatives in the fruit, vegetable, potato and horticultural sector.**

Felcoop's main figures

- More than 200 adherents || 15,000 farmers as cooperative partners || 40,000 employees at farm level || 8,500 employees at cooperative level
- Turnover of €3 billion || Consolidated turnover of €6 billion
- 75% of French producer organisations in the fruit and vegetable sector are cooperatives while 55% of the French sector is under producer organisations

The organic sector in Felcoop



- More than 60 adherents grow and sell organic (including fully organic cooperatives);
- The cooperatives produce around 25% of the French organic fruit and vegetables production;
- A specific working group is active in regulation talks and economics topics.

Equivalence vs Compliance

What are we talking about under current regulation?

Equivalence

‘**equivalent**’, in describing different systems or measures, means that they are capable of meeting the same objectives and principles by applying rules which ensure the **same level of assurance of conformity** (art 2 of Regulation 834/2007/CE) → **Different rules**

Concretely: two options with equivalence

- List of **recognised third countries** (12 countries, at least 15 more to be assessed)
- List of 53 **recognised control bodies and control authorities** for the purpose of equivalence (annex IV)

Compliance

No specific definition but article 2 of Regulation 834/2007/CE states that ‘organic production’ means the use of the production method **compliant** with the rules established in this Regulation, at all stages of production, preparation and distribution;

Concretely: the list of control bodies and control authorities for the purpose of compliance is **empty** (annex I of Regulation 1235/2008/CE is empty)

→ **Compliance has never been implemented yet.**

Equivalence is currently the only implemented import system.

Regulation provides the same logo for EU and equivalent products



Equivalence vs Compliance

Analysis of DG AGRI and DG SANTE regarding organic importation rules

DG AGRI

Regarding equivalence: Minor differences may be accepted, too divergent rules may impose restrictions on the imports.

Equivalence through control bodies: ‘ensuring appropriate supervision will create a substantial additional workload for the Commission’.

Regarding compliance: **COM prefers concentrating its efforts on equivalence rather than on compliance, whose usefulness and efficiency need to be reconsidered together with trading partners, in the light of current and future organic trade activities.**

Source : COM(2012) 212 final

DG SANTE

Only on equivalence: **Significant weaknesses** were identified in the supervision of control bodies in almost all Third Countries

In some cases, **the inspections were not always fully effective** mainly because inspectors did not adequately verify information at operators, and because checklists used did not cover all aspects.

Some **shortcomings** have been found regarding **traceability** and **export certificates**

Source: Food and Veterinary Office reports on Recognised Third Countries 2012 to 2016

What about the analysis of farming sector?

The dangers of equivalence according to Felcoop analysis

- Since fall 2016, Felcoop has been alerted by several of its adherents about the **strong distortions of competition** they have to face with organic products from third countries.
- The main distortions they are facing **regarding organic production rules** are **at farm level**:
 - The **use of EU forbidden pesticides**, especially for banana crop,
 - The **use of EU forbidden fertilizers**, soil conditioners and nutrients, especially with urea (synthetic fertiliser)
 - The **use of EU forbidden techniques**, such as hydroponic techniques
- As a result, **productivity through equivalent rules is much more higher**, no to mention the misleading for **European organic farmers and consumers** as these equivalent products enter the common market **with the same logo** as products produced in EU.

Equivalence vs Compliance

→ All evidences given by Felcoop adherents and confirmed by contacts with other professional organisations at national and European levels led us to form the **Collective for compliance**.

Collective for compliance

<http://oui-au-bio-strictement-conforme.eu/>

- Implemented since April 2017
- 55 signatories in France, Italy, Spain, Portugal and Belgium
- Several official letters sent at national and European levels, including Phil Hogan, Ministers, and MEPs
- Context: negotiation of new organic regulation since 2014

What is expected with the new regulation?

Equivalence vs Compliance

What is expected with new regulation?

Equivalence

Same definition as former regulation.

Former system replaced by the recognition of equivalence under a, **trade agreement** with third countries, without any time limit.

European Commission desire is to sign a maximum of trade agreements.

Compliance

Same « no definition » as former regulation, adding the conversion period.

Compliance will be **implemented for all third countries not having signed a trade agreement with the EU after 5 years** from the date of implementation of the new regulation (which is planned for 1 July 2020)

→Equivalence will remain the main import system for organic products

- European institutions pretend replacing the equivalence system by compliance.
- It is however clear that **equivalence system will be generalised after a few years**. The first new generation trade agreement, regarding Chile, has been approved by the EP last september.

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