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**The EU revised organic import regulation:
What do the stakeholders think?¹**

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1. Introduction

This paper covers the results of a survey applied to participants of a European stakeholder workshop on evaluation of the EU revised regulation on import of organic products from 3rd countries. The workshop is organized under the EU 7th Framework Program Project CERTCOST (Economic analysis of certification systems for organic food and farming) on the 25th-26th of January 2011, in Brussels.

This subject is considered important both from the standpoint of the EU and the 3rd countries (Huber, 2008; Neuendorff and Huber, 2009; MOAN, 2010; Pierce, 2010). In the EU, the fact that the production in the EU is not increasing as much as the organic food demand causes the considerable part of organic food demand to be met through import. On the other hand, the revision of the organic import regulation seeks to satisfy the consumers' expectations in terms of quality assurance and influence of the revision on the competitiveness of the EU organic producers is deemed critical. From the 3rd countries perspective, because the demand for organic products in domestic market is not developed enough, the improvement in the sector is dependent on the export opportunities, and the EU is one of the main target markets for the 3rd countries exporting organic products. The revision of the regulation has critical importance for 3rd countries, from the stand point of market accession.

The paper is made up of five main sections. In this introductory section, the background and the objectives of the paper are explained. In the second section, the method used for data gathering and analysis are presented in detail. In the third section, a brief summary of the recent changes in the EU organic product import regulation is provided. In the forth section, results of the survey study are given. In the fifth section, key results were discussed and conclusions were drawn.

Among the CERTCOST project objectives, is the evaluation of the revised EU import regulation concerning organic products, with special reference to implications on costs for both, EU member states and exporting non-EU member states. It is aimed to put forward an in-depth understanding of the strengths, weaknesses and cost implications of the import regime. The final objective of the underlined evaluation is to formulate scientifically based policy recommendations for the EU Commission, national competent authorities and private actors in organic food and farming relating to the subject.

The revision process elaborated comprises the change of the import regime under EEC 2092/91 in to the import regime under the EEC 834/2007. Detailed rules for implementation of Council Regulation (EC) No 834/2007 as regards the arrangements for imports of organic products are laid down under the new Import Regulation for Organic Products from the 3rd countries (Commission Regulation (EC) No 1235/2008).

Given that the stakeholders are the targeted final users of the recommendations, and in order to secure user relevance and impact of the results, stakeholder integration is considered as a crucial part of the research process. For that reason, in the workshop held in Brussels, it is aimed to realize a stakeholder evaluation of the subject against a list of pre-determined evaluation criteria. This paper aims to give preliminary results of the survey applied to the workshop participants concerning their opinions on several aspects of the EU new import regulation.

2 Data and Methodology

Methodology used for data collection

Bottom-up approaches to policy design and broad debate among stakeholders become increasingly preferred in policy design and evaluation (IFOAM, 2006). Multi-stakeholder involvement believed to facilitate policy learning and innovation

(Hemmati, 2002; Häring et al, 2006). Direct participation of stakeholders in research and extension projects is considered to raise the level of acceptance of the results (Michelsen et al, 2008).

The data used in this paper was gathered through a survey applied to participants of the CERTCOST-AFI workshop on the EU organic import regime. In the survey it is aimed to identify the opinions of the stakeholders regarding the EU new import regulation for organic products.

At the beginning of the workshop, the participants were informed on the revision of the EU import regulation on organic products (the changes brought about by the EEC 834/2007; EEC1238/2008; and guidelines). Then, group discussion sessions took place on the subjects elaborated in the survey. Finally, the survey was applied to the stakeholders.

In order to determine the issues of concern in the new import regime of the EU relevant to the evaluation under CERTCOST project and their priorities, an extensive literature review was carried out on the subject including scientific and legal documents and a broad number of issues were derived. Since there were numerous issues that could be dealt with, an elimination process was needed to reduce the number of issues and concerns to be discussed in the workshops to a reasonable level. For this aim, a web based survey was applied to get the ideas of potential stakeholders, so to involve them in this elimination process. The survey invitation was sent to all relevant stakeholders that could be reached. These included stakeholders involved in the organic product import/export processes all over Europe: producers and processors of organic products, certification bodies, NGOs involved in organic sector, policy makers, etc. The survey was launched in early June 2010 and ended in July 2010. Out of a total of 1527 addresses, the number of respondents who totally answered the questionnaire was 77.

Based on the data gathered through the web survey, the most important six issues to be dealt with in the CERTCOST AFI workshop and in the survey applied to the workshop participants were determined as follows:

1. Common interpretation of "equivalency" and "compliance" according to Article 33(1) of Regulation (EC) No 834/2007
2. Procedure for requesting for inclusion in the list of recognised control bodies and control authorities (including Procedures to ensure the update of the list of control bodies within areas) / Procedure for 3rd countries requesting inclusion in the list of 3rd countries
3. Impact on the quality of controls in 3rd countries / Effectiveness and Efficacy of the control system
4. Coordination by Commission to ensure harmonized procedures / Establishment of principles encouraging the harmonisation of standards
5. Guaranteeing fair competition for products produced in and outside the EU (equal requirements)
6. Reduction of trade barriers/ easier access to EU

The question form was made up of three main sections. The first part of the questionnaire included questions on the characteristics of the survey participants. The second section aimed at gathering information on the experiences and views of the participants regarding the above mentioned six major issues concerning the EU new import regulation for organic products. In this section, five point attitude scale questions were used. In some cases, open ended questions were used to collect suggestions on key issues. Finally, the third section consisted of a question established

for fuzzy pair wise analysis of the relative importance/priority for the participants of the six major issues dealt with.

Methodology used for data analysis

Basic descriptive statistics were estimated for the variables relating to the attitude scale questions. The participants were grouped according to the type of organization they worked for and ages as shown in Table 1. Differences of attitudes between different groups of stakeholders were analysed using Kruskal-Wallis test. Since more differences were observed between experience groups than between groups of different organization types, mean values for experience groups were given in tables. On the other hand, statistically significant differences between participants working in different type of organizations are mentioned in the text.

Table 1: Grouping of participants for analysis of differences between groups

Grouping according to type of institution/company		Grouping according to experience groups	
1	Processor, exporter, importer (7 individuals)	1	<1 year, 1-5 years (8 individuals)
2	Certification Body (10 individuals)	2	6-10 years (6 individuals)
3	Governmental authority, NGO (11 individuals)	3	>10 years (14 individuals)

Priorities of the issues were figured out by fuzzy pair wise comparison (FPC). Fuzzy theory began with a paper on “fuzzy sets” by Zadeh in 1965. Fuzzy set theory is an extension of crisp set theory (Tanaka, 1997). Fuzzy sets are sets with boundaries that are not precise. Thus, fuzzy sets describe ranges of vague and soft boundaries by degree of membership (Lai and Hwang, 1994). The membership in a fuzzy set is a matter of a degree (Klir and Yuan, 1995). Fuzzy set is characterized by a membership function, which is allowed to choose an arbitrary real value between zero and one.

FPC was first used by Van Kooten, Schoney and Hayward (1986) to study farmers’ goal hierarchies for use in multiple-objective decision making. The first step of FPC approach is data collection by using a unit line segment as illustrated in Figure 4. For example we have two different choice or issues, L and G, are located at opposite ends of the unit line. The decision maker is asked to place a mark on the line to indicate the degree of their preferred issue. A measure of the degree of preference for issue L over G, r_{LG} , is obtained by measuring the distance from the decision maker’s mark to the L endpoint. The total distance from L to G equals 1. If $r_{LG} < 0.5$, issue G is preferred to L; if $r_{LG} = 0.5$, the stakeholder is indifferent between L and G; and if $r_{LG} > 0.5$, then issue L is preferred to G. $r_{LG} = 1$ or $r_{LG} = 0$ indicates absolute preference for issue L or G. For example, if $r_{LG} = 1$, then issue L is absolutely preferred to G (Van Kooten et al, 1986).

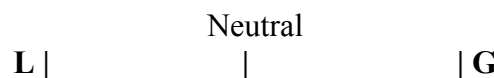


Figure 1: Fuzzy method for making pair-wise comparison between two issues L and G

The present paper employs six issues which were accepted to be most important factors in the new import regime. The number of pair-wise comparisons, λ , can be calculated as follows: $\lambda = n*(n-1) / 2$. The formula gives fifteen pair wise comparisons for our analysis. Finally, a measure of preference, μ , can be calculated for each issue by using preference matrix R. The intensity of each preference is measured separately by the following equation:

$$\mu = 1 - \sqrt[n]{\sum_{i=1}^n \frac{R_{ij}^2}{n-1}}$$

μ_j has a range in the closed interval [0,1]. The larger value of μ_j indicates a greater intensity of preference for issue j. As a result, issues are ranked from most to least preferable by evaluating the μ values.

To analyze the stakeholder preferences derived from FPC, nonparametric statistical tests are used (Başarır and Gillespie, 2003). Friedman test is used to establish whether the issues are equally important within a block which is a stakeholder's issue rankings according to his/her preferences. Since six issues are presented to decision makers, each row includes six values which are the degree of the preferences for the issues exposed from a decision maker. The null hypothesis is that there is no difference in preferences over the issues. Alternatively, at least one issue is preferred over the others.

3. Recent Changes in the EU Import Regulation

With the new Council Regulation (EC) No 834/2007 and the provisions concerning the arrangements for imports from 3rd countries (the so-called implementing rules: Regulation (EC) No 1235/2008) approved in December 2008, the framework conditions for imports from 3rd countries will change considerably. The European Commission states that the purpose of the new import regime is wider than simply fraud prevention. It aims to simplify processes and procedures, reduce the burden on operators, improve transparency and at the same time contributing to international harmonization. The implementation of the new import regulations will affect consumer confidence in organic products for a long time to come as well as the competitiveness of European organic farmers in the coming years. These two factors will be decisive in the future success of organic products.

For the importing of organic products from 3rd countries to the EU, there will be three options in the future:

1. The EU Regulation on Organic Agriculture is applied in the 3rd country exactly as in the EU member states, i.e. the products are "compliant". In co-operation with the EU member states, the European Commission will establish a list of recognised "compliant" control bodies authorised to carry out inspections and issue certificates in the 3rd countries.
2. The 3rd country applies production standards and control measures that are equivalent to the EU Regulation on Organic Agriculture, thereby producing "equivalent" products. In this case, the EU recognition can be obtained if either a. the 3rd country in question has been included in the European Commission's list of recognised 3rd countries, or b. the control body operating in the 3rd country has been included by the European Commission in its list of "equivalent" control bodies.
3. The operators in the 3rd country apply production standards and control measures equivalent to the EU Regulation on Organic Agriculture, and the EU's competent authority grants an import authorisation to the EU importer. These authorisations may be granted by an EU member state until 12 months after the Commission publishes the first list of control bodies recognised as "equivalent".

The authorisations are valid for up to 24 months after the publication of the list of "equivalent" control bodies of 3rd countries. Although the new rules are already in force there will be no changes yet in the applied import procedures in 2009. The list of recognised 3rd countries (Argentina, Australia, Costa Rica, India, Israel, New Zealand and Switzerland) has been transferred to the new regulation and remains valid. Also, the procedure for import authorisations issued by the competent authorities of the EU member states will be applied until the European Commission publishes the first list of recognised control bodies in 3rd countries.

The procedure for recognition of control bodies operating in 3rd countries will be initiated in 2009 by the European Commission. The provisions of Regulation (EC) No 1235/2008 stipulate that the register of control bodies operating in 3rd countries using standards equivalent to the EU Regulations on Organic Agriculture will be published.

31st October was the first deadline for submitting applications for approval of certification bodies operating outside the EU. 73 certification bodies from within and outside the EU have submitted their applications. The first list of approved certification bodies applying a standard and control system deemed equivalent to the EU's is expected to be published in early 2011. Next rounds of requests will be made by 31.10 each year.

The procedure for approving control bodies with a compliant control system (point-by-point implementation of the EU Regulations on Organic Agriculture) has been postponed. The Commission anticipates an exhaustive evaluation process to assess compliance with the EU Regulation. This is to prevent distortions in market competition that would endanger the competitiveness of European organic producers and to ensure consumer protection. The first application deadline for inclusion is in October 2011. The publication of the list of "compliant" control bodies operating in 3rd countries is not expected before 2012.

The system of import authorizations will be phased out between 2011 and 2013. From the first of January 2013 onwards, EU member states will be no longer allowed to issue import authorizations.

4. Survey Results

Characteristics of the participants

Workshop participants were i) representatives of major groups of actors involved in developing and implementation process of the revised import regime and ii) the relevant EU (DG Agric IFOAM-EU and other EU level) and non-EU (3rd country) target actors. These included companies and institutions such as, EU Commission, CBs, organic trade companies, representatives of governmental authorities and relevant NGOs, representatives of relevant international organizations such as IFOAM, and other stakeholder groups. In order to attain a higher number of relevant participants, the workshop was held as a joint event with AFI. Detailed composition of the participants is given in Table 2.

Table 2: Composition of the Participants

Type of Company/ organization	N	%	Position	N	%	Experience (Years)	N	%	Dominant trade type	N	%
Processor	1	3,6	Senior management	14	50,0	<1	3	10,7	Importer	3	10,7
Importer and /or Exporter	4	14,3	Middle management	8	28,6	1 - 5	5	17,9	Importer and exporter	3	10,7
Processor, Importer, Exporter	2	7,1	Administrative /support staff	1	3,6	6 - 10	6	21,4	Exporter and other	1	3,6
CB	9	32,1	Other	5	17,9	> 10	14	50,0	Other	21	75,0
CB, NGO	1	3,6	Total	28	100,0	Total	28	100,0	Total	28	100,0
Governmental authority	5	17,9									
Gov. auth., NGO	1	3,6									
NGO	3	10,7									
Other	2	7,1									
Total	28	100,0									

Level of knowledge of the participants on the EU new organic import regime and opinions on common interpretation of "equivalency" and "compliance" according to Articles 33(1) and 32(1) of Regulation (EC) No 834/2007

At the beginning of the workshop, the EU organic import regulation and current status of its implementation is explained to the participants. In the survey applied to the participants, they mentioned that they were already well informed on the new

regulation and its likely effects before the meeting (Table 3). The Kruskal Wallis test performed revealed no significant difference between participants with different years of experience. On the other hand, statistically significant difference has been found between participants working at different type of organizations (Kruskal Wallis Chi-Square = 7.457; df=2; Asymp. Sig. = 0.024). Representatives of the CBs (4.89), governmental authorities and NGOs (4.75) stated that they were definitely informed of the subject; while the group of processors, importers and exporters mentioned being rather informed (3.86). Although in average the participants were definitely informed of the EU new organic import regulation (EC 1235/2008) and its likely effects before this meeting and they were further informed during the workshop, the stakeholders considered the meaning of the equivalence and compliance approaches to be not definitely, but rather clear to them. It is concluded that, the equivalency and compliance concepts were needed to be further clarified.

Table 3: Stakeholders' level of knowledge and understanding regarding the equivalence and compliance terms*

	<1 or 1-5 years	6-10 years	>10 years	Total
N	8	6	14	28
Have you been informed of the EU new organic import regulation (EC 1235/2008) and its likely effects before this meeting?	4,17 (1,169)	4,83 (,408)	4,58 (,669)	4,54 (,779)
Is the meaning of the equivalence approach clear to you?	4,14 (,378)	3,67 (1,366)	4,33 (,888)	4,12 (,927)
Is the meaning of the compliance approach clear to you?	4,00 (,577)	3,67 (1,366)	3,85 (1,214)	3,85 (1,084)

*Mean values for the following 5 point attitude scale: 1) Definitely no; 2) Rather no; 3) Neither yes, nor no; 4) Rather yes; 5) Definitely yes

**Numbers in parenthesis are standard deviations.

There is a concern among experts that under the new regime, there may be a 2-class-import system, with preference for compliance. It is found to be unclear to the stakeholders whether compliant products would be preferred to the equivalent ones in the market (Table 4).

Table 4: Stakeholders' opinions regarding the possibility of a 2-class-import system*

	<1 or 1-5 years	6-10 years	>10 years	Total
N	8	6	14	28
Do you expect there will be a 2-class-import system, with preference for compliance?	3,20 (1,789)	3,50 (1,291)	3,18 (1,250)	3,25 (1,333)

*Mean values for the following 5 point attitude scale: 1) Definitely no; 2) Rather no; 3) Neither yes, nor no; 4) Rather yes; 5) Definitely yes

**Numbers in parenthesis are standard deviations.

Procedure for CBs requesting for inclusion in the list of recognized control bodies and control authorities for equivalence/ Procedure for 3rd countries requesting inclusion in the list of 3rd countries

In general, the stakeholders mentioned “neither having, nor not having” problems with regard to the EU’s previous organic import regime (EC 2092/91). They are also indifferent with respect to the potential of the new regulation to reduce the level of problems faced during the trade of organic products. Furthermore, those having medium level of experience in the sector are significantly more pessimistic compared to others (Kruskal Wallis Chi-Square = 8.043; df=2; Asymp. Sig. = 0.018). They do not think that the new import regulation has the potential to reduce the level of problems the EU countries faced while importing organic products (Table 5).

The participants think that the new regulation would ease the work involved in the trade of organic products for importers and exporters. However there is statistically significant difference of opinion between groups with respect to this issue. The stakeholders having 5 to 10 years of experience are less optimistic compared to other

groups, and especially compared to those having more than 10 years of experience (for importers, Kruskal Wallis Chi-Square = 6.936; df=2; Asymp. Sig. = 0.031; for exporters, Kruskal Wallis Chi-Square = 6.113; df=2; Asymp. Sig. = 0.047).

The participants almost think that the new regulation will help producers and processors of the 3rd countries. However, the difference of opinion is significant between stakeholders from different type of organizations. The processors, importers and exporters group and the CBs are hesitant and do not agree with the representatives of governmental authorities and NGOs on such a positive effect. (Kruskal Wallis Chi-Square = 6.367; df=2; Asymp. Sig. = 0.041).

Table 5: Stakeholders' opinions regarding the EU new organic import regulation*

	<1 or 1-5 years	6-10 years	>10 years	Total
N	8	6	14	28
<i>General opinions on the EU past and present organic import regulation</i>				
Did you have difficulties with regard to the EU's previous organic import regime (EC 2092/91)?	3,67 (,577)	3,17 (1,472)	3,08 (1,188)	3,18 (1,181)
Do you think that the new import regulation has the potential to reduce the level of problems the EU countries faced while importing organic products?	3,67 (,516)	2,17 (,408)	3,09 (1,136)	3,00 (1,000)
Do you think that the new import regulation has the potential to reduce the level of problems 3 rd countries faced while exporting organic products to EU?	2,83 (,983)	2,67 (,816)	3,20 (1,317)	2,95 (1,090)
<i>Opinions on the influence of the EU new organic import regulation on the ease of work for different actors</i>				
Do you think that the new import regulation makes the work for <u>CBs</u> easier?	2,50 (,837)	2,00 (,707)	3,31 (,751)	2,83 (,917)
Do you think that the new import regulation makes the work for <u>producers/processors</u> of the 3 rd countries easier?	3,33 (1,033)	3,17 (,753)	3,70 (1,059)	3,45 (,963)
Do you think that the new import regulation makes the work for <u>importers</u> easier?	4,17 (,408)	3,67 (,516)	4,45 (,522)	4,17 (,576)
Do you think that the new import regulation makes the work for <u>exporters</u> easier?	4,20 (,447)	3,17 (,983)	4,27 (,647)	3,95 (,844)
<i>Procedures required for inclusion in the equivalency/compliance lists, 3rd country perspective</i>				
Do you think that, in general, the procedures required for inclusion in the <u>equivalency/compliance</u> lists for CBs and CAs will be difficult to follow by the 3 rd country CBs and CAs?	3,33 (,816)	3,80 (1,304)	3,73 (,647)	3,64 (,848)
Do the CBs and CAs in 3 rd countries need assistance to follow these procedures?	4,20 (,837)	4,50 (,837)	4,58 (,515)	4,48 (,665)

*Mean values for the following 5 point attitude scale: 1) Definitely no; 2) Rather no; 3) Neither yes, nor no; 4) Rather yes; 5) Definitely yes

**Numbers in parenthesis are standard deviations.

The participants revealed rather pessimistic attitude for the case of CBs. They don't expect the new regulation to influence the ease of work involved in import of organic products for CBs. With respect to this issue, those having 5 to 10 years of experience in the sector are significantly more pessimistic than those having more than 10 years of experience (Kruskal Wallis Chi-Square = 8.363; df=2; Asymp. Sig. = 0.015).

The participants think that, the procedures required for inclusion in the equivalency/compliance lists for CBs and CAs would be rather difficult to follow by the 3rd country CBs and CAs. All the participants think that the CBs and CAs in 3rd countries need assistance to follow these procedures smoothly and more efficiently. Representatives of the processing, importing and/or exporting companies mentioned this requirement significantly stronger than the other groups (Kruskal Wallis Chi-Square = 5.745; df=2; Asymp. Sig. = 0.057). EU Commission and independent

consultants are viewed as the most promising strategy. The stakeholders also underlined that assistance should have been organized by development organizations, competent authorities and accreditation bodies.

Impact on the quality of controls in 3rd countries / Effectiveness and Efficacy of the control system

The stakeholders do not expect the new import regime to significantly improve the quality and or the efficiency of the organic control system along EU organic import supply chain (Table 6).

Table 6: Stakeholders' opinions on the potential of the EU new organic import regulation to improve the quality and efficiency of the organic import supply chain*

	<1 or 1-5 years	6-10 years	>10 years	Total
N	8	6	14	28
Do you think that the new import regulation has the potential to improve the <u>quality of controls</u> in 3 rd countries?	3,33 (1,033)	2,33 (1,033)	3,08 (1,379)	2,96 (1,233)
Do you think that the new import regulation has the potential to improve the <u>quality of the control system</u> along the EU organic import supply chain? (from the producers in the 3 rd countries to the consumers in the EU countries)	3,57 (,787)	2,50 (,837)	3,08 (1,188)	3,08 (1,055)
Do you think that the new import regulation has the potential to improve the <u>efficiency</u> of the control system along the EU organic import supply chain?	3,83 (,408)	2,83 (,983)	3,36 (,929)	3,35 (,892)

*Mean values for the following 5 point attitude scale: 1) Definitely no; 2) Rather no; 3) Neither yes, nor no; 4) Rather yes; 5) Definitely yes

**Numbers in parenthesis are standard deviations.

Besides, it is consistently believed that the costs of the CBs would increase. With respect to the influence on the costs of the overall control system and costs to the importers and exporters, there are significant differences between participant groups with different years of experience. While the participants with more than 10 years of experience think that the costs beard by importers and exporters would decrease, those having 10 years or less experience believe that these costs would rather increase (For importers, Kruskal Wallis Chi-Square = 10.304; df=2; Asymp. Sig. = 0.006; for exporters, Kruskal Wallis Chi-Square = 12.532; df=2; Asymp. Sig. = 0.002) (Table 7).

Table 7: Stakeholders' opinions on the influence of the EU new organic import regulation on the costs*

	<1 or 1-5 years	6-10 years	>10 years	Total
N	8	6	14	28
How do you think the new import regulation will influence the costs of the control system along the EU organic import supply chain?	2,00 (,000)	2,00 (,000)	3,27 (,786)	2,74 (,872)
How do you think the new import regulation will influence the costs beard by importers along the import process?	2,67 (,577)	2,50 (1,000)	4,00 (,447)	3,44 (,922)
How do you think the new import regulation will influence the <u>costs beard by exporters</u> along the export process?	2,00 (,000)	2,00 (,000)	3,67 (,651)	3,11 (,963)
How do you think the new import regulation will influence the <u>costs beard by CBs</u> of the 3 rd countries along the export process?	2,33 (,577)	1,75 (,500)	2,62 (,870)	2,40 (,821)

* 1) Will severely increase; 2) Will increase; 3) Will not change; 4) Will decrease; 5) Will severely decrease

**Numbers in parenthesis are standard deviations.

When the costs of the control system along the EU organic import supply chain -from the producers in the 3rd countries to the consumers in the EU countries- are considered as a whole, participants with more than 10 years of experience expect no change with the new regulation. On the other hand, those having less than 10 years of experience expect an overall increase in the costs of the control system (Kruskal Wallis Chi-Square = 10.660; df=2; Asymp. Sig. = 0.005).

Coordination by the Commission to ensure harmonized procedures / Establishment of principles encouraging the harmonisation of standards

The stakeholders do not think that procedures and standards in organic production are sufficiently harmonised between 3rd countries and the EU. Areas which require further harmonization were mentioned to be the control system standards, risk assessment procedures and the assessment procedures in general. For achievement of the harmonized standards and procedures, it is suggested to identify the major gaps, describe the differences, points of no equivalence etc., define priorities and use a benchmarking approach. Development of guidelines, check lists and coordination and meetings between institutions (IFOAM, EOCC) is suggested (Table 8).

Table 8: Stakeholders' opinions on the level of harmonization 3rd countries and the EU with respect to organic production

	<1 or 1-5 years	6-10 years	>10 years	Total
N	8	6	14	28
Do you think that procedures and standards in organic production are sufficiently harmonised between 3 rd countries and the EU?*	2,00 (,577)	2,33 (1,033)	2,14 (1,027)	2,15 (,907)

*Mean values for the following 5 point attitude scale: 1) Definitely no; 2) Rather no; 3) Neither yes, nor no; 4) Rather yes; 5) Definitely yes

**Numbers in parenthesis are standard deviations.

Guaranteeing fair competition for products produced in and outside the EU

The participants think that unfair competition existed in the market both for the EU and for the 3rd country CBs, processors, traders and farmers during the import and export of the organic products to the EU. The participants think that the EU new organic import regulation does not ensure fair competition for any of the parties. A significant difference was found between the attitudes of the participants having 6 to 10 years of experience in the organic certification and the others. The participants with medium level of experience in the certification sector are more pessimistic in terms of expectations from the new regulation with respect to its contribution to fair competition for the EU CBs, processors, traders and farmers (Kruskal Wallis Chi-Square = 6.258; df=2; Asymp. Sig. = 0.044).

Table 9: Stakeholders' opinions on the impact of the EU new organic import regulation on the conditions of fair competition

	<1 or 1-5 years	6-10 years	>10 years	Total
N	8	6	14	28
Does unfair competition exist in the market for the <u>EU</u> CBs, processors, traders and farmers while providing organic products to the EU?	3,60 (1,140)	3,67 (,577)	3,69 (1,316)	3,67 (1,155)
Does the new import regulation ensure fair competition for the EU CBs, processors, traders, farmers?	2,71 (,756)	1,75 (,500)	3,08 (,900)	2,74 (,915)
Does unfair competition exist in the market for <u>3rd country</u> CBs, processors, traders and farmers while exporting organic products to the EU?	4,00 (,000)	3,75 (,500)	3,92 (1,038)	3,91 (,811)
Does the new regulation ensure fair competition for 3 rd country CBs, processors, traders and farmers?	2,50 (,577)	2,25 (,500)	2,75 (1,138)	2,60 (,940)

*Mean values for the following 5 point attitude scale: 1) Definitely no; 2) Rather no; 3) Neither yes, nor no; 4) Rather yes; 5) Definitely yes

**Numbers in parenthesis are standard deviations.

Reduction of trade barriers/ easier access to EU

The stakeholders believed that, the new regulation had a potential to reduce the trade barriers and provide easier access to the EU organic market for 3rd countries (Table 10). The cost of EU market accession is supposed to remain unchanged. The difference between the attitudes of the participants with respect to this issue is found to be significant between experience groups. While those with more than 10 years of experience do not expect an increase in the costs of accession, less experienced groups, and especially those with medium level of experience expect these costs to increase (Kruskal Wallis Chi-Square = 11.811; df=2; Asymp. Sig. = 0.003).

Table 10: Stakeholders opinions on the impact of the EU new organic import regulation on reduction of the trade barriers

	<1 or 1-5 years	6-10 years	>10 years	Total
N	8	6	14	28
<i>Ease of market access</i>				
Does the new import regulation have a potential to reduce the trade barriers / provide easier access to the EU organic market for 3 rd countries?*	3,67 (,816)	3,67 (,816)	4,08 (,515)	3,88 (,680)
Does the <u>compliance approach</u> in the new regulation have a potential to reduce the trade barriers / provide easier access to the EU organic market for 3 rd countries?*	3,29 (1,25)	2,83 (,983)	3,25 (,965)	3,16 (1,028)
Does the <u>equivalence approach</u> as described in the new regulation have potential to reduce the trade barriers / provide easier access to the EU organic market for 3 rd countries?*	3,71 (,756)	3,67 (,816)	4,08 (,289)	3,88 (,600)
Does the <u>3rd country list approach</u> in the new regulation reduce the trade barriers / provide easier access to the EU organic market for 3 rd countries?*	4,00 (,000)	3,83 (,753)	3,92 (,760)	3,92 (,640)
<i>Costs of accession</i>				
How do you expect the EU new organic import regulation to effect the costs of accession to the EU organic market for 3 rd countries?***	2,00 (,000)	1,75 (,500)	3,18 (,603)	2,67 (,840)

*1) Definitely no; 2) Rather no; 3) Neither yes, nor no; 4) Rather yes; 5) Definitely yes

** 1) Will increase the costs quite much; 2) Will increase the costs a little; 3) Will not change the level of costs; 4) Will decrease the costs a little; 5) Will decrease the costs quite much

*** Numbers in parenthesis are standard deviations.

Results of the fuzzy pair wise comparison analysis

Table 11 presents the FPC analysis and the statistical tests. The mean values are representing the priorities or weight values of the issues. The biggest value means that the respective issue takes the 1st rank among the issues. In the present case, the issue of “Coordination by Commission to ensure harmonized procedures / standards” is the number one while the issue of “Impact on the quality of controls in 3rd countries/Effectiveness and Efficacy of the control system.” is in the second order.

Table 11: Results of the fuzzy pair wise comparison analysis

	Mean	SD	Min	Max	Median
Common interpretation of "equivalency" and "compliance":	0.3573	0.2099	0.0192	0.9	0.3504
Procedure for CBs/control authorities/countries for inclusion in the lists of equivalency/compliance/3 rd countries:	0.3788	0.1524	0	0.6683	0.3473
Impact on the quality of controls in 3 rd countries/Effectiveness and Efficacy of the control system:	0.5251	0.1966	0.2652	1	0.4708
Coordination by Commission to ensure harmonized procedures / standards:	0.5538	0.1406	0.2151	0.8735	0.5331
Guaranteeing fair competition for products produced in and outside the EU	0.4600	0.1375	0.1851	0.728	0.4432
Reduction of trade barriers/ easier access to EU:	0.4276	0.1849	0.1	0.9	0.3983
<i>Friedman Test (Chi Square): 38.713 / Kendall's W: 0.102</i>					

The Friedman test rejects the Ho hypothesis of no difference among the alternatives. In other words, all these six issues are different importance in the view of the stakeholders.

6. Summary and Conclusions

In order to achieve the objectives such as improvement of the import procedure of organic products from third countries to the EU/ reduction of the trade barriers and enabling easier access to the EU market, improvement of the traceability, etc. the EU organic import regulation has been revised in 2008. In this paper, opinions of the stakeholders from the EU and the 3rd countries were elaborated. Although the stakeholders generally think that the new regulation would ease the import procedure to the EU market and contribute to the reduction of the trade barriers, they were not found equally optimistic with respect to the influence of the revised regulation on the quality of the control system along the supply chain. The stakeholders think that the new import regulation would not ensure the necessary conditions for fair competition, and that the costs beard by the CBs operating in the 3rd countries would increase. The role of the Commission in harmonization of procedures and standards between the EU and the 3rd countries is seen crucial for enabling improvement in the import process.

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