

Special report 9/2012 (2011 discharge): Audit of the control system governing the production, processing, distribution and imports of organic products

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PURPOSE: to draw up a Special Report (No. 9/2012) of the European Court of Auditors on the control system for organic production.

CONTENT: organic production is an overall system of farm management and food production that aims at sustainable agriculture, the production of high-quality products and the use of processes that do not harm the environment, human, plant or animal health and animal welfare. The control system for organic products as set out in the EU regulations aims at guaranteeing the production processes but not the organic character of the products themselves. The organic market has rapidly developed and experienced annual growth rates of more than 10% in the last two decades. The European market for organic food amounts to about 20 billion euro annually, representing an estimated 1.5% share of the entire food market.

The European Court of Auditors' (ECA) **performance audit** focuses on the effectiveness of the system for supervising organic production and how the various institutions involved (the EU Commission and the competent Member State authorities, accreditation bodies and control bodies) have fulfilled their responsibilities with regard to both the control system within the EU and the management of the import schemes currently in operation.

According to the Commission, EU consumers can be sure that when they buy an organic apple or a piece of organic beef from their local supermarket, it has been produced according to strict rules. The control system for **organic products**, as set out in the EU Regulations, aims at guaranteeing that the production processes conform to organic principles.

For organic products originating within the EU, Member States must set up a system of checks. Control bodies, which carry out these checks at the level of individual operators (such as producers, processors and importers) are central to this system. Organic products from outside the EU may be recognised as organic, if the production rules and control system applied to them are considered equivalent to those of the EU.

The Court considers that the **shortcomings** highlighted by its audit need to be remedied in order to **provide sufficient assurance** that the system is operating effectively and ensure that **consumer confidence** is not undermined.

Conclusions of the Court of Auditors' audit: in this Special Report (No. 9/2012), the ECA concludes that a number of competent authorities in the Member States do not sufficiently fulfill their **supervisory role over control bodies**. As a result certain control bodies fail to satisfy a number of EU requirements and fail to take the opportunity to implement certain good practices. The Commission had not audited Member States' control systems between 2001 and the time of the Court's audit. Also, the competent authorities in Member States encounter difficulties in ensuring the traceability of organic products within their territories and such traceability is even more difficult to achieve for products that have crossed borders.

In relation to imported organic products, **the system governing the various import schemes was also found to have weaknesses.**

The Court's recommendations: the ECA has prepared a series of recommendations to the Commission with a view to improving the effectiveness of the current system, in particular in regard to the following points:

- the competent Member State authorities should strengthen their supervisory role over control bodies;
- the exchange of information within Member States, between the Member States and the Commission and among the Member States themselves should be improved;
- checks should be strengthened to ensure that operators (such as producers, processors, importers) fulfil the regulatory requirements regarding traceability;
- the Commission should strengthen its monitoring of the Member States' control systems by undertaking audit visits and gathering the necessary data and information and putting it to good use;
- regarding imports, the Commission should ensure that the countries in the list of those recognised as being equivalent for organic production are adequately supervised.

The Commission's replies show broad agreement with the Court's recommendations and indicate its intention to follow them, including specific audits on the control systems for organic production by the Food and Veterinary Office from 2012 onwards.