

Alternative organic certification

Opportunities for small-scale organic farming, local markets and rural development in China

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This briefing paper proposes a stronger promotion of small scale organic agriculture in China, and the introduction of the Participatory Guarantee System (PGS) as a promising tool to mainstream organic agriculture amongst the small and marginal farmers, and to develop emerging organic markets in China.

The majority of the emerging local organic and natural food initiatives in China are mainly working together with farmers that have too small of a production to afford certification. These initiatives therefore have to develop their own set of criteria in order to provide consumers with the necessary assurance.

In order to establish a more formalized procedure and consistent criteria, the PGS has proven as an effective tool. Within the PGS certification process, farmers, consumers, NGOs, scientists and other key actors in the organic sector jointly inspect food production sites and adapt certification procedures to local settings. PGS in China may function as an effective in supporting farmers to improve their systems, and at the same time provide important extension services for organic agriculture, organic research and organic seeds.

Organic agriculture and rural development in China: Recommendations for action _____

China's ecology is facing severe threats through industrialized agriculture. Not only are soils and water contaminated by chemical fertilizers and pesticides, but also does an intensified food production lead to desertification and the loss of biodiversity. Frequent food scandals featuring contaminated food alienate Chinese consumers. On the other hand, low prices for conventional agricultural products put farmers' incomes at risk.

Against the backdrop of the rampant agricultural pollution and impoverished rural population, organic agriculture and a reviving of small scale farming can improve the ecological sustainability of agricultural production systems and provide an opportunity for farmers to secure an income through fair pricing and short-supply chains.

At the same time, food scandals have led to an ever-increasing demand for safe, i.e. organic food. In recent years a remarkable number of local organic and natural food initiatives all over China have emerged, focusing on short supply chains, and the personal encounter between consumers and the producers of the food. In order to assure the organic authenticity of the products, China has put in place one of the strictest organic certification systems in the world, making third-party-inspection of each crop in each season compulsory, and thus very complex and expensive. However, the majority of the emerging food initiatives in China are mainly working together with farmers that have too small of a production to afford certification. These initiatives therefore have to develop their own set of criteria in order to provide consumers with the necessary assurance.

In order to establish a more formalized procedure and consistent criteria, the Participatory Guarantee System has proven as an effective tool in many developing countries. Within the PGS certification process, farmers, consumers, NGOs, scientists and other key actors in the organic sec-

tor jointly inspect food production sites and adapt certification procedures to local settings. PGS in China may function as an effective means in supporting farmers to improve their systems, and at the same time provide important extension services for organic agriculture, organic research and organic seeds.

Benefits of small scale organic farming and producer-consumer initiatives _____

- local and short supply chain initiatives provide opportunities for consumers to give their food and its production a new value: they can meet directly with the producers of the food they consume and build a first-hand relationship with them
- reduces farmers' dependence on external inputs and debts and improves food security
- minimizes farmer's risk of being exposed to dramatic production losses during extreme and unstable climatic conditions
- fair pricing for local producers, thus secure income, potential for rural development

The potential of PGS in China _____

- less costly than official third party certification, but highly trustworthy alternative way of guaranteeing the quality of organic products
- particularly applicable and valuable for emerging organic markets as it aims for supply chains operating on a local level.
- Benefits for consumers: makes organic products available to the local population at an affordable cost, gives them the opportunity to understand the certification process and to participate in the decisions
- functions as a rural development tool and as an instrument to support farmers to improve their systems
- PGS has the potential to provide extension services for organic agriculture, organic research and organic seeds which currently are very limited in China



China: the challenges of industrialized agriculture _____

The challenges China is facing in regards to food and agricultural production are manifold, and so are the effects and the impact on human health and on the environment. Agricultural pollution due to the excessive use of chemical pesticides and fertilizers is seriously contaminating Chinese soils and ground water, and puts human health at risk. Frequent food scandals, such as the 2008 milk scandal and the cadmium pollution of rice are alarming Chinese consumers. A heavily industrialized agriculture results in soil erosion, desertification, and the loss of biodiversity. Whilst China's productive farmland is dwindling, an increasing demand for food in the country is building up pressure to intensify the food production and to increase its yields. Since the income of the agricultural branch is so low, it is particularly difficult for farmers to make a living from their profession.

Citizens initiatives rethinking the food system _____

Against the backdrop of these threats and challenges, a remarkable number of initiatives all over China, such as organic and natural farmers markets, consumer cooperatives, vegetables box

schemes or community supported agriculture have emerged. The emphasis is on short supply chains, and the personal encounter between consumers and the producers of the food. More and more consumers are able and willing to spend more money on food if they can trust that the purchased goods are safe for their health and for the environment as well as organically and locally produced.

For Chinese consumers "organic" equals "safe" _____

There are many reasons why Chinese consumers decide to get involved in the movement: the long-term benefits of organic agriculture for the environment and agricultural production systems are widely known. For small farmers, organic agriculture is also a great opportunity to reduce their dependence on external inputs and debts and to improve their food security. Furthermore, they minimize their risk of being exposed to dramatic production losses during extreme and unstable climatic conditions.

The fair pricing for local producers, the introduction of short-supply chains, food sovereignty as well as rural development are some of the other important drivers behind many of these initiatives.

However, the priority for many of the Chinese consumers when purchasing organic food products is their safety. They buy "organic" because they want their food to be free of toxins, heavy metals

Farmer, farmers market consumers, NGO activists and scientists inspecting shrub at a farm close to Beijing
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and pesticide residues, as well as hormones and antibiotics. This organic authenticity, needs to be proven by the producers of organic foods.

Moreover, as a result of a greater demand for safe products, prices for organic foods in China are remarkably high in comparison to conventional goods. High prices provide incentives for fraud and make it all the more important to have a reliable and properly functioning guarantee system in place. Chinese food authorities have therefore in recent years developed a strict certification regulation (also view Infobox 1)

As a result of the complex and expensive verification process, certified organic products tend to be very expensive and become unaffordable for the local population. Consequently, these goods need to be sold beyond the local markets, particularly to consumers with a higher income – thus preventing the practice of short-supply chains.

Certifying on the basis of consumer-producer trust _____

For many small scale farmers in developing countries, obtaining the common third-party-certification (based on specialized certification bodies that are responsible for the verification of the certified farms' production methods) is too great a challenge. Not only are the costs of organic certification is disproportionately high in relation to their production, but they are also oftentimes overwhelmed with the complexity of compulsory paperwork, standards and regulations. This is also true for the majority of the Chinese farmers the local organic and natural food initiatives are cooperating with: They simply have too small of a production to afford certification. Since they cannot rely on the official system for certification, these initiatives have to set their own criteria.

In addition to these criteria, a consumer cooperative or any other short supply chain initiative needs to develop their own means to continuously verify the quality of the products being sold under the initiative. In general, the farms participating in an initiative are carefully selected. In many cases, the personal history and motivation as well as the vision of the individual farmers are well known to the organizers. The relationship among the consumers, producers and other stakeholders of the initiative is based on trust and mutual understanding.

China – The Strictest Organic Certification System in the World _____

Infobox 1

The Chinese government has been taking the fraud cases and food scandals in the domestic organic market very seriously. In 2012, China drastically revised its organic regulation, making it presumably the strictest organic control system in the world. These requirements are now imposed on all Chinese producers wanting to use the word “organic” on their products that are destined for sale on the Chinese market.

A notable change is for example the prohibition of group certification. Moreover, the inspection and pesticide testing of each crop during each season is now compulsory for every farmer who intends to label his or her products “organic”. As a result, the hurdle for organic farmers in China to obtain certification is now much greater than in any other country. The new regulation makes it nearly impossible for any small organic farmer who is selling on a local level to afford the certification fees.

However, many initiatives in China feel an increasing need to establish a more formalized procedure to prove to their consumers that their system is based on consistent criteria.

Participatory Guarantee Systems (PGS) and its potential for China _____

Although organic certification, as we commonly know it, has enabled the success of “organic” worldwide, it does not offer an ideal solution for all organic farmers and all situations. PGS is one of the most promising tools to mainstream organic agriculture amongst the small and marginal farmers in developing countries and to develop emerging organic markets.

In contrast to third party certification, PGS are based on the participation of various stakeholders in the certification process. Ideally farmers, consumers, NGOs, scientists and other key actors in the organic sector are involved. They take part, not only in the regular inspection and certification decisions, but they are also included in the choice and definition of the standards and in the development of the certification procedures. PGS have demonstrated their capability in guaranteeing the quality of organic products in a way that often surpasses third party certification. Recent studies¹ have also shown the positive impact of PGS on a wide range of social aspects, including the potential of significantly alleviating poverty.

Participatory Guarantee Systems worldwide

Infobox 2

The very first PGS initiatives like the French Nature & Progrès developed as early as the 1970s. However, PGS only started to gain worldwide importance after the start of the new millennium. Today, we know about functional PGS initiatives in close to 40 countries worldwide. Latin America as well as South- and Southeast Asia are the forerunners in these developments. There are already thousands of farmers involved in PGS and many governments show a favorable attitude towards them. The Brazilian government, having the most progressive law, acknowledges PGS as fully equivalent to third party certification. Other countries approve PGS for national or local markets.

IFOAM defines PGS as: *“Locally focused quality assurance systems. They certify producers based on active participation of stakeholders and are built on a foundation of trust, social networks and knowledge exchange.”*

(IFOAM definition, 2008)

The concept of PGS is particularly applicable and valuable for emerging organic markets and is primarily adapted to supply chains operating on a local level. It supports and strengthens the collective capacity of farmers to constantly improve, monitor and guarantee the organic quality of their production systems.

PGS also provide a broad range of benefits for consumers. On one hand, the system makes organic products available to the local population at an affordable cost. On the other hand, it gives them the opportunity to understand the certification process and to participate in the decisions.

In China, most of the small farmers cannot afford ordinary certification. It maybe redundant to have a certification system when the relationship between farmers and consumers is very close and when they live and work not far from each other. However, as soon as numerous farmers become involved and the local distance between them increases, some type of verification is usually needed to ensure the organic quality of the products.

PGS is a relatively new concept in China. Several initiatives are now looking into adopting the

system. On one hand, it provides a low-cost assurance method for the local market. On the other hand, the biggest potential of PGS in China may lie in its functionality as a development tool and as an instrument to support farmers to improve their systems. Although China has a long history of traditional agriculture, they joined the organic movement rather late. Extension services for organic agriculture, organic research and organic seeds are limited. PGS has the potential to give important contributions in filling many of these gaps.

For more information on rural initiatives in China, please contact the China program of Stiftung Asienhaus.

Annotation

- 1 Bouagnimbeck, Herve: Global comparative study on Interactions between Social Processes and Participatory Guarantee Systems. IFOAM 2014.

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Background EU-China-NGO-Twinning Policy Briefing Papers. These policy briefings are newly launched in 2015. They are a result of the EU-China NGO Twinning (<www.eu-china-twinning.org>), which is organized

Growing different crops and stables on limited piece of land
in Northern Hebei province. © Cornelia Kirchner

by Stiftung Asienhaus (Germany), supported by the Robert Bosch Stiftung. The aim is to inform on topics which Chinese and European civil society groups jointly work on. The Twinning Policy Briefings want to help to advance a socially and environmentally sustainable future in both regions.

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The China program of the Stiftung Asienhaus is solely responsible for the content of this publication.

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