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MESTRADO EM AGRICULTURA BIOLÓGICA

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A critical analysis of EU Organic Agriculture
regulations, as they relate to products produced
and certified outside of the EU

Orientador: Maria Isabel Ribeiro Dinis

Coimbra, 2024

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Abstract

This study examines the regulatory landscape, challenges, and prospects of importing organic products into the European Union (EU) from non-EU countries. It begins with an overview of the development and significance of EU organic agriculture regulations, emphasizing the need to study products certified outside the EU.

The literature review details the principles, legal frameworks, and recognition processes for equivalent organic standards in non-EU countries. It also compares organic standards among EU member states and recognized non-EU countries.

Key challenges in ensuring imported products meet EU standards are explored, including certification, verification, and logistical issues. The regulation and enforcement of the EU organic logo on imports are analyzed to ensure compliance and consumer confidence.

Benefits such as economic advantages and market demand are weighed against risks like fraud and quality issues. Current trends and future developments in importing organic products are evaluated, with a focus on market growth and potential regulatory changes.

The study concludes with a summary of findings and recommendations for enhancing EU regulations and practices related to the import of organic products, along with suggestions for future research.

Keywords: EU organic agriculture regulations; organic product imports; non-EU certification; organic production standards; equivalence recognition.

Resumo

Este estudo examina o cenário regulatório, os desafios e as perspectivas da importação de produtos biológicos para a União Europeia (UE) de países terceiros. Começa com uma visão geral do desenvolvimento e da importância dos regulamentos sobre agricultura biológica da UE, enfatizando a necessidade de estudar produtos certificados fora da UE.

A revisão da literatura detalha os princípios, quadros jurídicos e processos de reconhecimento para padrões biológicos equivalentes em países não pertencentes à UE. Também compara padrões orgânicos entre estados-membros da UE e países não pertencentes à UE reconhecidos.

São explorados os principais desafios para garantir que os produtos importados cumpram as normas da UE, incluindo certificação, verificação e questões logísticas. A regulamentação e a aplicação do logótipo biológico da UE nas importações são analisadas para garantir o cumprimento e a confiança do consumidor.

Benefícios como vantagens económicas e procura de mercado são ponderados em relação a riscos como fraude e problemas de qualidade. São avaliadas as tendências atuais e os desenvolvimentos futuros na importação de produtos biológicos, com foco no crescimento do mercado e em possíveis mudanças regulatórias.

O estudo termina com um resumo das conclusões e recomendações para melhorar os regulamentos e práticas da UE relacionados com a importação de produtos biológicos, juntamente com sugestões para pesquisas futuras.

Palavras-chave: Regulamentos sobre agricultura biológica da UE; importações de produtos biológicos; certificação fora da UE; padrões de produção biológica; reconhecimento de equivalência.

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ABBREVIATIONS

CAP - Common Agricultural Policy

CETA - Comprehensive Economic and Trade Agreement

EAFRD - European Agricultural Fund for Rural Development

EC - European Commission

EU - European Union

F2F - Farm to Fork

FOAG - Federal Office for Agriculture

GDPR - General Data Protection Regulation

GMOs - Genetically Modified Organisms

IFOAM - International Federation of Organic Agriculture Movements

ILAC - International Laboratory Accreditation Cooperation

NGTs - New Genetic Techniques

NRL - The Nature Restoration Law

SAG - Servicio Agrícola y Ganadero

TEU - Treaty on European Union

TFEU - Treaty on the Functioning of the European Union

TPC - Third-party certification

TRACES - Trade Control and Expert System

1 Introduction

1.1 Background of EU Organic Agriculture regulations

1.1.1 Overview of the development and implementation of organic agriculture regulations in the EU

Organic agriculture is a method of food production that prioritizes environmental sustainability and the use of natural inputs. Organic agriculture has gained significant recognition and popularity in recent years. Due to the potential for misrepresentation, fraud, and inconsistent practices, regulation becomes essential to maintain consumer confidence, ensure fair competition, and uphold the integrity of organic products.

The regulation of organic agriculture in the European Union (EU) has evolved over the years to establish standards for organic farming practices, certification, labeling, and import controls. The goal of these regulations is to ensure the integrity and transparency of organic products, promote consumer confidence, and support sustainable agricultural practices¹. To understand the development of the current regulations, a historical overview of the development of organic agriculture in the EU will be provided below.

The organic agriculture movement gained momentum in Europe during the 1970s and 1980's, driven by concerns about the environmental impact of conventional agriculture and the desire to promote sustainable farming practices². Rudolf Steiner's anthroposophy and biodynamic agriculture played a significant role in shaping the organic movement during this period³. The spread of organic agriculture was facilitated by the establishment of farmer-led organizations, consumer groups, and educational initiatives promoting organic practices⁴. In the 1970s and 1980s, several European countries began developing organic standards and certification systems to ensure the integrity and credibility of organic products⁵. The regulatory frameworks aimed to establish clear guidelines for organic production methods, including the exclusion of synthetic chemicals and the promotion of ecological practices⁶. Countries, such as Germany and Switzerland, were early adopters of organic certification programs during this period.

The EU Organic Regulation (EEC) No 2092/91, adopted in 1991, represents a seminal milestone in the development of organic agriculture within the EU. It established a standardized and harmonized framework for organic production, labeling, and control

systems across EU member states, aiming to ensure the integrity, transparency, and credibility of organic products⁷. This regulation played a pivotal role in fostering consumer confidence and promoting sustainable farming practices throughout Europe⁸. The EU Organic Regulation sought to define and enforce clear standards for organic production methods⁹. It outlined specific requirements for crop production, animal husbandry and processing methods¹⁰. The regulation emphasized the exclusion of synthetic chemicals, genetically modified organisms (GMOs), and other prohibited substances from organic farming practices¹¹. By providing a standardized definition of organic production, the regulation aimed to maintain consistency and authenticity across member states. To verify compliance with the established organic standards, the EU Organic Regulation mandated a certification process for organic operators¹². Certification bodies, rather than inspection bodies, were tasked with assessing and verifying the adherence of organic operators to the defined standards under Regulation (EEC) No 2092/91 of 1991, as accreditation was not a requirement at that time¹³. These certification bodies conducted regular inspections, evaluated documentation, and ensured compliance with traceability requirements. This certification process played a crucial role in instilling consumer confidence in organic products and assuring their authenticity¹⁴. Moreover, the 1991 regulations focused on accurate and transparent labeling of organic products. In addition to regulating domestic production, the 1991 regulations addressed the import of organic products from third countries in Article 11 of the regulations¹⁵. It introduced equivalence requirements, ensuring that imported organic products met standards equivalent to those set by the EU Organic Regulation¹⁶. This provision aimed to create a level playing field for domestic and imported organic products, preventing unfair competition and maintaining the integrity of the organic sector¹⁷. The 1991 regulations set the stage for the development and regulation of organic agriculture in Europe and third countries. By establishing clear standards, implementing a certification process, and promoting transparent labeling, the regulation fostered the growth of organic markets, bolstered consumer confidence, and supported sustainable agricultural practices.

The 1991 organic regulations laid the groundwork for organic farming in the EU. They defined clear standards and requirements for organic production methods, including the

exclusion of synthetic chemicals and GMOs. However, over time, new challenges arose, such as the need for stricter guidelines on organic seed and feed, animal welfare, and environmental sustainability¹⁸. The New EU Regulation for organic food and farming: (EC) No 834/2007 addressed these emerging issues by establishing more comprehensive and up-to-date standards. For instance, they introduced rules on organic aquaculture and provided more explicit guidelines for animal welfare and environmental protection¹⁹. The 1991 regulations established a certification process and mandated inspections to ensure compliance with organic standards. However, inconsistencies in certification and inspection systems across EU member states, such as varying interpretations of organic standards, differences in enforcement practices, and the uneven recognition of third-country equivalence agreements, posed significant challenges to the integrity of the organic sector. These discrepancies have led to issues like uneven market access, potential fraud, and reduced consumer confidence in organic labeling²⁰. The 2007 regulations addressed these concerns by harmonizing certification procedures and strengthening control mechanisms. They introduced mandatory unannounced inspections, enhanced traceability requirements, and established a European Union logo for organic products²¹. These measures bolstered consumer confidence and facilitated cross-border trade of organic products within the EU. Organic trade between the EU and non-EU countries became increasingly significant over time. The 1991 regulations included provisions for equivalence agreements to regulate the import of organic products. However, implementation challenges and differences in interpretation under Regulation (EEC) No 2092/91 of 1991 led to inconsistencies and unfair competition. For instance, member states varied in their enforcement of organic certification standards, with some applying stricter controls than others. This disparity allowed certain producers to market goods labeled as organic while adhering to less stringent practices, creating an uneven playing field. Additionally, there were inconsistencies in residue testing requirements, where some countries mandated stricter limits on pesticide traces than others, further exacerbating competitive imbalances²². The 2007 regulations addressed these issues by revising the import regime and strengthening international cooperation. They improved the procedures for granting equivalence status to non-EU countries, ensuring that imported organic products met equivalent standards²³. These measures harmonized the import regime,

facilitated fair trade, and supported the global development of organic farming. The 2007 organic regulations in the EU were necessary to address evolving challenges and strengthen the organic sector. Building upon the foundation laid by the 1991 regulations, the updated regulations enhanced organic standards, improved certification and inspection systems, and facilitated international trade. By continuously evaluating and updating organic regulations, the EU demonstrated its commitment to promoting consumer confidence, ensuring the integrity of organic products, and supporting the sustainable development of agriculture.

The 2007 regulations were a necessary update to the organic agriculture regulations framework. The 2007 regulations had a few implementation issues: the importance of reliable data and market information in the organic sector²⁴, ensuring organic production practices are continually evolving²⁵, that organic seed availability is crucial for maintaining the integrity of organic production²⁶, consistent standards and certification procedures are pivotal in maintaining consumer trust and ensuring smooth trade operations. Harmonized regulatory frameworks not only protect the integrity of organic labels but also minimize barriers to international trade, fostering a reliable market environment²⁷ and the organic market relies on imports to meet consumer demand²⁸.

Regulation (EC) No 889/2008 and Regulation (EC) No 1235/2008 were adopted alongside Regulation (EC) No 834/2007 to address these issues. By promoting the establishment of a data network for improved European organic market information²⁹. This network enhanced transparency, facilitated market analysis, and provided valuable insights for organic stakeholders. The 2008 regulations introduced broader guidelines for organic feed production, including the use of microbial processes to optimize key ingredients such as Methionine³⁰. These advancements in production practices contribute to the overall improvement of organic farming systems. The 2007 regulations recognized the importance of organic seed and set standards for its use³¹. However, challenges in seed availability, quality, and diversity persisted, necessitating further action. The 2008 regulations aimed to address these issues by recommending strategies to improve the organic seed sector, including promoting organic plant breeding and facilitating access to organic seeds³². These measures fostered the development of a robust and diverse

organic seed market. The 2007 regulations established a framework for organic standards and certification³³. Consistent standards and certification procedures are essential for maintaining consumer trust and facilitating trade. The differences in interpretation and implementation across member states created challenges for harmonization and mutual recognition³⁴. The 2008 regulations addressed this issue by emphasizing the need for clearer guidelines and harmonization in certification procedures³⁵. These efforts contributed to the development of a more uniform and reliable organic certification system within the EU. The organic market relies on imports to meet consumer demand. Ensuring the reliability and integrity of imported organic products was a concern under the 2007 regulations³⁶. The 2008 regulations introduced significant changes to the import requirements for organic products, including the mandatory use of control bodies accredited by the EU to certify compliance, the introduction of the Certificate of Inspection (COI) to improve traceability, and stricter residue testing protocols for high-risk products. These measures aimed to enhance the reliability and integrity of imported organic goods in alignment with EU production standards³⁷. These measures increased consumer confidence in imported organic products and promoted fair competition in the organic market. The 2008 organic regulations in the EU were crucial for operation of the regulatory framework and addressing evolving challenges in the organic sector.

The EU developed Regulation (EU) 2018/848 with the aim of addressing several key aspects and challenges identified in the organic agriculture regulations since the 2007 regulations, read with the 2008 regulations, were introduced. One of the main reasons for introducing the Regulation was to enhance consumer confidence in organic products. The EU recognized the importance of maintaining a high level of trust and credibility in the organic sector to ensure the continued growth of organic farming and market access for organic products. The Regulation seeks to achieve this by reinforcing controls, improving transparency, and harmonizing organic production rules across member states³⁸. The 2018 regulations acknowledge the need for a level playing field among organic operators within the EU. It aims to establish a fair competition environment by ensuring consistent implementation and enforcement of organic farming rules across member states³⁹. The 2018 regulations introduce more stringent

control measures and certification requirements to prevent fraud and maintain the integrity of organic products. These measures include mandatory use of the TRACES system for certificates of inspection to ensure traceability, stricter residue testing protocols for high-risk products, and the introduction of group certification to facilitate cost-effective compliance for smallholders while maintaining oversight. Additionally, periodic unannounced inspections and increased collaboration between member states enhance enforcement and reduce the risk of fraudulent activities. Recognizing the increasing global demand for organic products, the EU sought to streamline and facilitate the trade of organic goods within and outside the EU. The Regulation aims to establish a harmonized framework for organic production and labeling, ensuring mutual recognition of organic standards with third countries and simplifying the import and export procedures for organic products⁴⁰. The 2018 regulations also aim to encourage the adoption of sustainable agricultural practices by promoting organic farming methods. It emphasizes the protection of the environment, biodiversity, and animal welfare, setting specific requirements for organic production systems. The Regulation aligns with the EU's broader objectives of promoting sustainable development and combatting climate change⁴¹.

The introduction of Regulation (EU) 2018/848 to replace Regulation (EC) No 834/2007 and the accompanying regulations Regulation (EC) No 889/2008 and Regulation (EC) No 1235/2008 was driven by the EU's commitment to strengthen consumer trust, promote fair competition, facilitate trade, and encourage sustainable agricultural practices within the organic sector. The replacement aimed to modernize the regulatory framework, align with international standards for organic production and trade, and enhance traceability and control mechanisms.

1.1.2 Importance of organic agriculture in the EU and its growing market

Organic agriculture holds significant importance in the EU due to its various benefits and the growing market demand for organic products.

Organic agriculture is an important vehicle for the promotion of environmental sustainability through the advance of soil health and fertility, reduction of soil erosion, and improving water quality. Organic agriculture avoids the use of synthetic pesticides and GMOs, minimizing the negative impact on ecosystems⁴². Organic agriculture can

act as foundation for the preservation of biodiversity by providing habitats for various plant and animal species. Organic agricultural producers often incorporate practices such as crop rotation, agroforestry, and the preservation of natural habitats, which enhance ecosystem diversity⁴³. Organic farming practices focus on building and maintaining soil health using organic matter, compost, and crop rotations. This approach enhances soil structure, nutrient availability, and microbial activity⁴⁴.

The EU must address several goals related to pollution reduction, decoupling economic growth from resource use, conserving natural capital, and protecting public health from environmental risks if it is to achieve the goals outlined in the European Green Deal, which aims to create a climate-neutral Europe by 2050. There is a strong body of research showing that present food production methods greatly contribute to biodiversity loss, air, water, and soil pollution, climate change, and the overuse of natural resources. Furthermore, there is a link between poor diets and the incidence of non-communicable illnesses.

The EU has proposed the Farm to Fork (F2F) and Biodiversity Strategies as crucial elements of the Green Deal to address these urgent concerns. The three main pillars of these policies are maintaining the cost of food while assuring just remuneration for the supply chain, ensuring food security, nutrition, and public health, and guaranteeing a food chain with a neutral or positive environmental effect. To alter the EU food system and increase sustainability, these policies must be put into action⁴⁵⁴⁶. By 2030, it is also planned to reduce the use and danger of chemical pesticides by 50%, eliminate nutrient losses by at least 50%, apply fertilizer less often (20% minimum), and sell 50% less antimicrobials for aquaculture and farm animals. In addition, the EU intends to increase the proportion of agricultural land used for organic farming from 8% in 2018 to 25% in 2030⁴⁷. Currently the proportion of land under organic agriculture is 9,6%.

The market for organic products in the EU has been experiencing significant growth in recent years. Consumer awareness and demand for organic food have been increasing due to health and environmental concerns. This growing market offers economic opportunities for organic farmers and stimulates innovation in organic production and processing methods. The retail sales of organic agriculture have increased from roughly 7 billion euros in 2001 to roughly 50 billion euros in 2021⁴⁸. Between 2007 and 2021,

this timeframe marked the inception of the second pillar of the Common Agricultural Policy (CAP) and the implementation of the revised 2007 EU regulations concerning organic agriculture. The land under organic agriculture increased 137.327%, while the retail market increased 290.983%. The number of organic producers increased 107.009%, while organic processors increased 178.845% and the number of organic importers increased 219.938%⁴⁹.

The EU recognizes the importance of organic agriculture and has been working on harmonizing regulations, providing support programs, and promoting organic farming through initiatives such as the EU Organic Farming Action Plan⁵⁰, Farm to Fork strategy, EU Biodiversity Strategy for 2030 and the European Green Deal. These efforts aim to foster the development of organic agriculture, meet consumer demand, and contribute to sustainable food systems within the EU.

1.2 Significance of studying products produced and certified outside of the EU

1.2.1 Rationale for investigating importing organic products from non-EU countries

Investigating the consequences and challenges of importing organic products from non-EU countries is important for several reasons: The EU has established stringent regulations and standards for organic agriculture within its member states. It is important to investigate how imported goods meet the same rigorous organic standards as those produced within the EU. This helps to ensure the integrity and credibility of organic labeling, preventing fraudulent practices and protecting consumer confidence in organic products. Non-EU countries may have different organic farming standards and certification processes. Investigating the importing of organic products allows the EU to assess whether the regulations and certification systems in non-EU countries align with its own standards. To guarantee adherence to EU regulations, it's essential to promote uniformity and alignment in organic farming techniques and trade for imported organic goods.

Consumers rely on the organic label to make informed choices about the products they purchase. Investigating the import of organic products helps protect consumer trust by

ensuring that imported goods labeled as "organic" genuinely meet the established organic standards. It safeguards consumers from misleading claims and potential health and safety risks associated with non-compliant or fraudulent organic products.

Investigating the challenges of importing organic products from non-EU countries helps create a level playing field for EU organic farmers. EU farmers must adhere to strict organic regulations, which can increase their production costs compared to producers in non-EU countries with potentially lower standards. By ensuring that imported organic products meet equivalent standards, the EU avoids unfair competition and maintains a fair market for both domestic and imported organic goods.

Overall, investigating the consequences and challenges of importing organic products from non-EU countries is essential for upholding organic integrity, protecting consumer trust, promoting fair competition, and supporting sustainable agriculture and trade practices within the EU.

1.2.2 Purpose of the study and research objectives

The purpose of this study is to investigate the consequences and challenges of importing organic products from non-EU countries. It aims to explore the criteria for a country to be recognized by the EU as having equivalent organic production standards, examine the challenges of ensuring that imported organic products meet EU standards, analyze the EU regulations on the use of the EU organic logo on products imported from non-EU countries, assess the benefits and drawbacks of importing organic products from non-EU countries, and identify future trends in the import of organic products from non-EU countries.

Research Objectives:

To identify and analyze the criteria that the EU uses to recognize a country as having equivalent organic production standards.

To examine the challenges faced in ensuring that organic products imported from non-EU countries meet the stringent standards set by the EU.

To investigate the regulatory measures implemented by the EU to control the use of the EU organic logo on products imported from non-EU countries.

To assess the benefits and drawbacks associated with importing organic products from non-EU countries, considering factors such as environmental impact, consumer trust, and fair competition for EU organic farmers.

To explore and predict future trends in the import of organic products from non-EU countries, including market growth, shifts in sourcing regions, and potential changes in regulations.

By addressing these research objectives, the study aims to provide valuable insights into the consequences, challenges, and trends related to the import of organic products from non-EU countries, contributing to a better understanding of the dynamics of the organic agriculture sector within the EU.

2 Literature review

2.1 Overview of EU Organic Agriculture regulations

2.1.1 Explanation of the key principles and objectives of EU organic regulations

The International Federation of Organic Agriculture Movements (IFOAM) has established four principles of organic agriculture that serve as a foundation for organic farming practices worldwide. These principles guide the development and implementation of organic production systems. The four principles of organic agriculture, as defined by IFOAM, are:

Principle of Health: Organic agriculture should sustain and enhance the health of soils, plants, animals, humans, and the planet. It emphasizes the use of ecologically sound and sustainable practices to maintain the health and vitality of all living organisms within the farming system. This principle promotes the avoidance of synthetic inputs, such as pesticides and chemical fertilizers, and the use of natural and organic methods to ensure the long-term health and well-being of ecosystems and individuals. *Principle of Ecology:* Organic agriculture should be based on the principles of ecology and work in harmony with natural systems and cycles. It aims to minimize the environmental impact of farming activities by promoting biodiversity, conserving resources, and reducing pollution. Organic farming practices focus on building healthy soil, protecting water quality, and preserving natural habitats. This principle recognizes the

interconnectedness of all components of an ecosystem and seeks to maintain ecological balance. *Principle of Fairness*: Organic agriculture should promote fairness and social justice in the relationships among all stakeholders involved in the farming system. It emphasizes the importance of ethical and equitable treatment of farmers, workers, and consumers. Fair trade practices, equitable access to resources, and the improvement of livelihoods are key aspects of this principle. Organic agriculture strives to create inclusive and sustainable agricultural systems that benefit all participants, including small-scale farmers, indigenous communities, and marginalized groups. *Principle of Care*: Organic agriculture should be carried out with care, taking precautionary measures to protect the environment, human health, and well-being. It emphasizes responsible management of resources, ethical considerations, and a holistic approach to farming. This principle encourages farmers to make decisions that consider the long-term impacts of their actions, prioritize sustainability, and foster a sense of responsibility towards future generations⁵¹. These four principles were considered at length when the EU regulations were produced.

The EU has developed comprehensive policies and regulations to support organic agriculture and ensure its alignment with the principles of organic agriculture set forth by IFOAM.

The *Principle of Health* in organic agriculture is promoted through various measures and requirements set forth in the EU policies. Organic farming practices under EU regulations strictly prohibit the use of synthetic pesticides, herbicides, and fertilizers⁵². Organic farmers must rely on natural and organic methods to manage pests, diseases, and nutrient supply, ensuring that organic products are free from harmful residues associated with synthetic chemicals⁵³. This prohibition promotes the health of both the environment and consumers by reducing exposure to potentially harmful substances. EU regulations on organic agriculture require that organic products are produced without the use of GMOs⁵⁴. This restriction ensures that organic products do not contain genetically modified ingredients, promoting consumer choice and addressing potential health concerns associated with GMOs. The EU's organic production regulations emphasize preventive measures to promote plant⁵⁵ and animal health⁵⁶. Organic farmers are encouraged to focus on building healthy soils, crop rotation, and promoting

biodiversity⁵⁷. By prioritizing preventive measures, such as promoting soil fertility and using natural pest control methods, organic farming helps to reduce the need for chemical inputs and fosters a healthier farming system overall. Organic livestock production is subject to strict animal welfare standards under EU regulations. These standards aim to promote the health and well-being of animals raised in organic systems. Organic livestock must have access to open-air areas⁵⁸, appropriate space for natural behaviors⁵⁹, and organic feed⁶⁰. The prohibition of growth-promoting hormones⁶¹ and preventive antibiotics⁶² in organic livestock production also supports animal health and reduces the risk of antibiotic resistance. EU regulations contain the requirement of use of organic seed and plant material in organic production⁶³. Organic farmers are required to use organic seeds and propagate plants through organic methods to ensure the health and integrity of the organic system⁶⁴. This promotes the development and preservation of organic varieties and helps maintain the health of crops and their genetic diversity⁶⁵. Further, the EU's certification and control systems for organic agriculture ensure compliance with organic standards, including health-related requirements⁶⁶. Organic operators must undergo regular inspections by approved certification bodies to verify compliance with organic regulations⁶⁷. These control systems help to maintain the health integrity of organic production⁶⁸ and ensure consumer confidence in organic products⁶⁹.

The *Principle of Ecology* is present in the EU policies on organic agriculture as the policies promote ecology by incorporating measures that aim to protect and enhance the environment, promote biodiversity, and ensure the long-term sustainability of farming practices. The 2018 regulations place a strong emphasis on preserving and enhancing biodiversity within organic farming systems. In line with the health promoting principles above, the strict prohibition on the use of synthetic pesticides, herbicides and GMOs, minimizes negative impacts on the environment and ecosystem health that may occur as the result of their use. The regulations also recognize the importance of maintaining ecological balance and encourages organic farmers to adopt practices that support biodiversity conservation⁷⁰. Organic farmers are encouraged to promote native breeds⁷¹, and participate in wild flora⁷² and fauna protection, and the establishment of buffer zones to prevent contamination. The recently passed Nature Restoration Law⁷³

will add further legislative requirements that farmers will have to meet to promote and protect biodiversity. The organic regulations place a significant emphasis on maintaining soil health and fertility⁷⁴; by setting requirements for organic farmers to prioritize soil management practices that improve soil structure, fertility, and organic matter content⁷⁵. The EU's organic agriculture policies also address the responsible management of water resources⁷⁶. The EU's comprehensive approach to organic agriculture ensures that ecological principles are integrated into the core of organic farming practices.

The *Principle of Care* in organic agriculture is promoted through various aspects of EU policies on organic agriculture. The regulation includes provisions to ensure responsible resource management⁷⁷, the use of organic fertilizers⁷⁸ and maintenance of nutrient balances in soils⁷⁹. EU policies on organic agriculture emphasize the implementation of precautionary measures⁸⁰ to protect human health, the environment, and the integrity of organic production⁸¹. The regulation requires organic operators to apply preventive measures for plant and animal health management. By taking proactive measures, organic farming aims to minimize risks and ensure the well-being of ecosystems, animals, and consumers now and in the future. The EU regulation ensure that organic agriculture operates within a transparent and accountable framework. Certification and control systems play a crucial role in verifying compliance with organic standards⁸². The regulation sets out detailed provisions for certification bodies and control authorities⁸³. It mandates that certification bodies be independent⁸⁴, impartial⁸⁵, and competent⁸⁶, ensuring that they carry out rigorous inspections and audits to verify compliance. By establishing robust control systems, the EU promotes the care principle by guaranteeing the integrity of organic production and the accuracy of organic labeling. The principle of care extends to the welfare of animals in organic farming systems, emphasizing the care and well-being of animals within organic production systems.

The most critical principle for the purpose of the current study is the *Principle of Fairness*. The fairness principle in organic agriculture focuses on ensuring equitable treatment of stakeholders and supporting the livelihoods of organic farmers. The EU's approach to promoting fairness in organic agriculture includes several key aspects. The EU regulations on organic agriculture aim to create a level playing⁸⁷ field for all organic

operators by establishing consistent rules and standards that apply to organic production and labeling throughout the EU member states⁸⁸. This harmonization of regulations helps prevent unfair competition and ensures that all organic operators adhere to the same requirements. To maintain integrity and transparency in the organic market, organic operators are required to undergo certification by approved organic certifying bodies⁸⁹. This process ensures that organic products reaching the market meet the required standards and gives consumers confidence in the organic label⁹⁰. Certification also provides a fair and reliable framework for organic farmers to market their products. The EU regulations recognize the importance of supporting small operators and to reduce administrative burdens and control obligations for small operators⁹¹. The provisions enable small operators⁹² to participate in the organic market without being overwhelmed by excessive administrative procedures. To further reduce costs and administrative burdens for small farmers and operators, a system of group certification was introduced⁹³. Group certification allows farmers or producers with similar organic practices to be certified as a group rather than individually. This system provides better market access for small operators and ensures a fair and level playing field. The fair competition principles contained in the regulations align with the fairness principle of organic agriculture. Fair competition practices encourage fair prices, a proper functioning internal market, and sustainable livelihoods for farmers and workers⁹⁴. The EU policies on organic agriculture align with fair competition principles by promoting sustainable farming practices, supporting small-scale producers, and fostering social and economic equity.

The EU regulations on organic agriculture, particularly Regulation (EU) 2018/848, align closely with the four principles of organic agriculture set forth by IFOAM. These EU policies demonstrate a commitment to promoting sustainable and environmentally friendly farming practices while safeguarding human health and promoting fairness within the organic sector.

2.1.2 Review of the legal framework and regulatory bodies responsible for organic agriculture in the EU

Though Regulation (EU) 2018/848 forms the center of the theoretical legal regime for organic agriculture in the EU. No legislation can exist in isolation, the framework of the organic agriculture regulations consists of many interlinked pieces of legislation, policies

and regulatory bodies. This interaction between these various pieces of legislation and organs will be discussed in detail below.

The EU is a unique legal entity with its own legal system, which operates alongside the legal systems of its member states. The sources of law in the EU hierarchy are arranged in a specific order, with each source having a different level of authority. At the top of the EU legal hierarchy are the Treaties, which are the founding and fundamental agreements that establish the EU and define its scope, objectives, and institutions. The primary treaties are the Treaty on European Union (TEU)⁹⁵ and the Treaty on the Functioning of the European Union (TFEU)⁹⁶. These treaties are the supreme law of the EU and serve as the legal basis for all other EU legislation, also known as primary law. The second tier of the EU legal hierarchy is regulations created by the legislative process of the EU carried out by EU institutions. Regulations are directly applicable and binding in their entirety in all EU member states. They do not require any additional implementation measures by national authorities and take precedence over conflicting national laws⁹⁷. Regulations are used to create a uniform legal framework across the EU and are applicable in all member states simultaneously, known as secondary law. The third tier of the EU hierarchy are regulations, directives and decisions adopted by an ordinary or special legislative procedure⁹⁸, commonly known as legislative acts. These legislative acts are EU laws that are not binding on member states, but they set out the objectives to be achieved while leaving the choice of the form and methods to achieve those objectives to the individual member states. Member states must adapt their national laws to comply with the legislative acts' objectives, but they have some flexibility in how to achieve these goals. Legislative acts do not have direct effect unless they have been implemented into national law by the member states.

Legislation is interconnected to form a coherent legal system. Reading legislation in isolation may lead to a narrow interpretation that overlooks broader legal principles and concepts. By considering the legislation within the broader legal framework, the reader can better appreciate the purpose, intent, and interplay of different laws, ensuring consistency in their application. No legislation is created in a vacuum; it is created as a response to societal needs or to address specific issues. Understanding the legislative intent requires analyzing the law within the context of its background, purpose, and

objectives. By examining related laws, regulations, and judicial interpretations, the reader can gain insights into the lawmakers' intentions and how the legislation fits into the broader legal landscape. Legal systems typically have a hierarchical structure where laws are organized according to their level of authority. Constitutions, statutes, regulations, and judicial decisions are all part of this hierarchy. Reading legislation in isolation may result in disregarding higher laws or misinterpreting their application. By considering the entire legal framework, the reader can identify any relevant provisions, statutes, or regulations that may impact the interpretation and implementation of the legislation. Judicial decisions and legal precedents shape the interpretation and application of legislation, this is seen as the law in action. Without proper investigation the reader may miss out on important judicial interpretations that have clarified or expanded its meaning. Considering the legal framework allows the reader to explore relevant case law and precedents that have a bearing on the legislation, providing valuable insights into its practical implications. Importantly, legislation often contains cross-references to other laws, statutes, or regulations. These references establish interdependencies and ensure consistency across legal provisions. Ignoring these cross-references when reading legislation may result in misinterpretation or incomplete understanding of the law. Laws and regulations have far-reaching effects on individuals, businesses, and society. By reading legislation in the context of the entire legal framework, the reader can identify potential conflicts, overlaps, or gaps that may have unintended consequences or lead to inconsistencies. This understanding allows for more effective compliance, legal analysis, and decision-making⁹⁹.

To understand and implement Regulation (EU) 2018/848 to its full extent the regulation must be read in tandem to the following regulations (Table 01):

Table 1: Summary of relevant legislation regulating organic agriculture in The EU.

Regulation Number	Title
EU 2016/679	General Data Protection Regulation (GDPR)
EU 1151/2012	Quality Schemes for Agricultural Products and Foodstuffs

Table 1: Summary of relevant legislation regulating organic agriculture in The EU.

Regulation Number	Title
EU 1307/2013	Rules for Direct Payments to Farmers under Support Schemes within the Framework of the Common Agricultural Policy
EU 1305/2013	Support for Rural Development by the European Agricultural Fund for Rural Development (EAFRD)
EU 1308/2013	Common Organisation of the Markets in Agricultural Products
EU 1380/2013	Common Fisheries Policy
EU 2017/625	Official Controls and Other Official Activities Performed to Ensure the Application of Food and Feed Law, Rules on Animal Health and Welfare, Plant Health and Plant Protection Products
EU 1306/2013	Financing, Management and Monitoring of the Common Agricultural Policy
EU 2016/2031	Protective Measures against Pests of Plants

With the above in mind, examples of legislative acts that must be read with Regulation (EU) 2018/848 to ensure the full scope of the regulation is met are (Table 2):

Table 2: List of directives regulating organic agriculture in The EU

Regulation/Directive	Description
Commission Regulation (EU) 2021/1165	Implementing Authorizes certain products and substances for use in organic production and establishes their lists
Commission Regulation (EU) 2022/474	Amends Annex II to Regulation (EU) 2018/848 regarding specific requirements for the production and use of non-Delegated organic, in-conversion, and organic seedlings and other plant reproductive material
Commission Regulation (EU) 2020/464	Lays down rules for the application of Regulation (EU) 2018/848 concerning documents needed for retroactive recognition of periods for conversion, production of

Table 2: List of directives regulating organic agriculture in The EU

Regulation/Directive	Description
	organic products, and information provided by Member States
Commission Delegated Regulation (EU) 2021/2306	Supplements Regulation (EU) 2018/848 with rules on official controls for consignments of organic and in-conversion products intended for import into the Union and on the certificate of inspection
Commission Delegated Regulation (EU) 2021/1698	Supplements Regulation (EU) 2018/848 with procedural requirements for recognition of control authorities and bodies competent for organic product controls in third countries, and rules on supervision and controls by those bodies
Commission Delegated Regulation (EU) 2020/2146	Supplements Regulation (EU) 2018/848 with exceptional production rules in organic production
Directive 2009/147/EC	Concerns the conservation of wild birds
Directive 2009/128/EC	Establishes a framework for Community action to achieve sustainable use of pesticides
Council Directive 2013/59/Euratom	Lays down basic safety standards for protection against dangers from exposure to ionizing radiation; repeals several earlier directives

For the purposes of this study, it is crucial to understand how the regulatory bodies responsible for the regulation of organic agriculture in the EU are established and maintained in terms of the law. These bodies have far reached influence and are the tools that bring the EU's organic policies to life. The formation and scope of regulatory bodies responsible for organic agriculture in the EU are primarily governed by Regulation (EU) 2018/848.

The primary regulatory body for organic agriculture in the EU is the European Commission. As the executive body of the EU, the European Commission has the

authority to propose legislation, monitor compliance, and promote organic farming within the EU. Its role in the formation of organic regulations is derived from its powers conferred by the TFEU. In the context of organic agriculture, the European Commission is responsible for proposing legislation related to organic production and ensuring its implementation across the EU. It works with member state authorities, certification bodies, and other stakeholders to develop and promote organic farming practices and policies within the EU's agricultural framework.

The next regulatory body to be discussed is “competent authorities”. The definition of a competent authority is supplied by Regulation (EU) 2017/625¹⁰⁰:

” (3) ‘competent authorities’ means:

(a) the central authorities of a Member State responsible for the organisation of official controls and of other official activities, in accordance with this Regulation and the rules referred to in Article 1(2);

(b) any other authority to which that responsibility has been conferred;

(c) where appropriate, the corresponding authorities of a third country;”

Every country in the EU appoints a competent authority to play a crucial role in the enforcement and implementation of organic rules within their respective countries, the scope of these rules is laid out in Article 1 (2) of Regulation 2017/265:

“2. This Regulation shall apply to the official controls performed for the verification of compliance with the rules, whether established at Union level or by the Member States, to apply Union legislation, in the areas of:

(a) food and food safety, integrity and wholesomeness at any stage of production, processing and distribution of food, including rules aimed at ensuring fair practices in trade and protecting consumer interests and information, and the manufacture and use of materials and articles intended to come into contact with food;

(b) deliberate release into the environment of Genetically Modified Organisms (GMOs) for the purpose of food and feed production;

(c) feed and feed safety at any stage of production, processing and distribution of feed and the use of feed, including rules aimed at ensuring fair practices in trade and protecting consumer health, interests and information;

(d) animal health requirements;

(e) prevention and minimisation of risks to human and animal health arising from animal by-products and derived products;

(f) welfare requirements for animals;

(g) protective measures against pests of plants;

(h) requirements for the placing on the market and use of plant protection products and the sustainable use of pesticides, with the exception of pesticides application equipment;

(i) organic production and labelling of organic products;

(j) use and labelling of protected designations of origin, protected geographical indications and traditional specialties guaranteed.”

Article 37 of Regulation (EU) 2018/848 confirms that the interrelation of this regulation and Regulation (EU) 2017/625, while also adding additional rules in terms of Article 29¹⁰¹, Article 40(2)¹⁰² and Article 41(1)¹⁰³ of Regulation (EU) 2018/848.

Article 38 of Regulation (EU) 2018/848 outlines additional rules on official controls and the actions to be taken by competent authorities to ensure compliance with Article 9 of Regulation (EU) 2017/625¹⁰⁴. The verification of compliance with the regulation includes various aspects such as operators' implementation of preventive and precautionary measures at all stages of production, preparation, and distribution¹⁰⁵. It also involves checking for clear separation between organic, in-conversion, and non-organic production units, ensuring proper identification and separation of products¹⁰⁶, and verifying the functioning of internal control systems of groups of operators¹⁰⁷. Under EU organic regulations, operators are individuals or entities engaged in organic production, preparation, or distribution, while groups of operators are collectives of small-scale farmers or operators that meet specific eligibility criteria outlined in Article 36. These

groups must consist of members with limited holdings or turnover, operate within a geographically proximate area, and function as a legal entity with a joint marketing system. They are required to establish an internal control system to ensure compliance with organic standards. Controls, as per Article 38, include annual on-site inspections, process and record verifications, unannounced audits, and sample testing, ensuring the integrity and traceability of organic production. This framework promotes transparency and compliance across the supply chain.

The controls must cover the entire process of organic production, preparation, and distribution. The likelihood of non-compliance is considered based on various factors, including the type, size, and structure of operators, length of their involvement in organic production, and the results of previous controls¹⁰⁸. All operators and groups of operators, except those exempted under specific conditions, must undergo compliance verification at least once a year¹⁰⁹. However, if operators have shown no non-compliance affecting the integrity of organic products for three consecutive years¹¹⁰ and are assessed as having low non-compliance likelihood¹¹¹, physical on-the-spot inspections may be conducted once every 24 months. The controls should be carried out without prior notice in a minimum percentage of cases¹¹². There should also be a minimum percentage of additional controls¹¹³, and a minimum number of samples should be taken for inspection¹¹⁴. A certain number of operators who are members of a group of operators must be subjected to control in connection with compliance verification¹¹⁵. The issuance or renewal of organic certificates is based on the results of compliance verification¹¹⁶. Each official control must have a written record, which the operator or group of operators must confirm receipt of¹¹⁷. Article 13(1) of Regulation (EU) 2017/625¹¹⁸ does not apply to audits and inspections carried out by competent authorities in the context of supervisory activities over control bodies to whom official control tasks have been delegated¹¹⁹.

Article 39 of Regulation (EU) 2018/848 outlines additional rules to be enforced by competent authorities for operators and groups of operators in relation to compliance with Article 15 Regulation (EU) 2017/625¹²⁰. They are required to keep records to demonstrate compliance¹²¹, make necessary declarations for official controls¹²², take practical measures to ensure compliance¹²³, and provide a declaration containing details

about their production unit and measures taken for compliance¹²⁴. The declaration must include an undertaking to inform buyers and relevant authorities if there is a suspicion of non-compliance or if non-compliance affecting product integrity is confirmed¹²⁵. Operators must also accept the transfer of control files in certain cases and exchange information among authorities when subcontractors are subject to different controls¹²⁶.

Article 40 of Regulation (EU) 2018/848 is critical for this study as Article 40 provides additional rules regarding the delegation of official control tasks and tasks related to other official activities to control bodies by competent authorities. Competent authorities may delegate official control tasks and other official activities to control bodies, subject to specific conditions. Here we must introduce a regulatory body that exists in organic agriculture in the EU, namely “control bodies”. A control body is defined in Article 3 (56) of Regulation (EU) 2018/848 as:

“a delegated body as defined in point (5) of Article 3 of Regulation (EU) 2017/625¹²⁷, or a body recognised by the Commission or by a third country recognised by the Commission for the purposes of carrying out controls in third countries for the import of organic and in-conversion products into the Union;”

As such a control body can be seen as a legal entity, never a natural person¹²⁸, that is acting on behalf of a competent authority in certain matters, provided the following conditions are met. The need for a detailed description of the delegated tasks, risk assessment procedures, standard control procedures, measures for cases of suspected or established non-compliance, and arrangements for monitoring and reporting¹²⁹. Once the conditions are met, competent authorities may delegate decision-making tasks concerning certain provisions of Regulation (EU) 2017/625¹³⁰ to control bodies¹³¹, more specifically which actions may be taken if there is established non-compliance. The relevant standard for delegating official control tasks to verify compliance is the most recently notified version of the international harmonized standard for “Conformity assessment – Requirements for bodies certifying products, processes and services.”¹³². Certain official control tasks and activities related to other official activities cannot be delegated to control bodies. These include the supervision and audit of other control authorities or bodies¹³³, granting derogations (except for plant reproductive material not obtained from organic production)¹³⁴, receiving notifications of activities in terms of

Article 34(1) of Regulation (EU) 2018/848¹³⁵¹³⁶, assessing the likelihood of non-compliance¹³⁷, and establishing the common catalogue of measures in terms of Article 41(4) of Regulation (EU) 2018/848¹³⁸.

Competent authorities must collect and use information received from control bodies to supervise their activities effectively¹³⁹. The information required to be reported is contained in Article 32 of Regulation (EU) 2017/625:

“(a) communicate the outcome of the official controls and other official activities performed by them to the delegating competent authorities on a regular basis and whenever those competent authorities so request;

(b) immediately inform the delegating competent authorities whenever the outcome of the official controls indicates noncompliance or point to the likelihood of non-compliance, unless specific arrangements established between the competent authority and the delegated body or the natural person concerned provides otherwise; and

(c) give competent authorities access to their premises and facilities and cooperate and provide assistance.”

Competent authorities must conduct audits and inspections of control bodies annually to ensure effective and independent control¹⁴⁰. Control bodies must transmit lists of operators subject to their controls¹⁴¹ and information on the official controls and activities carried out in the previous year to competent authorities for preparing the annual report on organic production and labeling¹⁴². Overall, Article 40 aims to ensure that the delegation of official control tasks and related activities to control bodies are carried out with transparency, effectiveness, and compliance with the Regulation.

Another regulation body exists in EU organic agriculture, this legal entity is known as a “control authority” in the Regulation (EU) 2018/848. A control authority is defined in this regulation as:

“‘control authority’ means an organic control authority as defined in point (4) of Article 3 of Regulation (EU) 2017/625, or an authority recognised by the Commission or by a third country recognised by the Commission for the purposes of carrying out controls in third countries for the import of organic and in-conversion products into the Union;”

The definition supplied by Article 3(4) of Regulation (EU) 2017/625 is as follows:

“ ‘organic control authority’ means a public administrative organisation for organic production and labelling of organic products of a Member State to which the competent authorities have conferred, in whole or in part, their competences in relation to the application of Council Regulation (EC) No 834/2007, including, where appropriate, the corresponding authority of a third country or operating in a third country;”

As such we can note that control authorities are state owned entities, and control bodies are privately-owned entities¹⁴³. Provided all the statutory requirements have been met these regulation bodies have authority to act on behalf of a competent authority. Control bodies and control authorities are the primary regulation bodies that will be discussed in this study.

2.2 Definition and requirements for organic production standards

2.2.1 Examination of the criteria and guidelines for organic production within the EU

For the purposes of this study, an understanding of the standards to which operators are held to be certified organic by the EU standard is important. The criteria for organic production within the EU are controlled and guided through a combination of regulatory measures and certification processes. The primary legislation that establishes the framework for controlling organic production in the EU is Regulation (EU) 2018/848. The production rules for EU organic agriculture are found in Chapter III of the regulation. The specific rules that are relevant to this study will be examined below.

Article 9 of Regulation (EU) 2018/848 contains the general production rules. Operators must adhere to the general production rules set forth in this article¹⁴⁴. The entire holding must follow the requirements of organic production¹⁴⁵. Only products and substances authorized under specific regulations¹⁴⁶ can be used in organic production for certain purposes and uses. Some substances can be allowed if authorized under Regulation (EC) No 1107/2009¹⁴⁷. Preventive and precautionary measures must be taken at all stages of production, preparation, and distribution¹⁴⁸. A holding may be divided into separate production units for organic, in-conversion, and non-organic production, with certain conditions¹⁴⁹. When different production units exist on a holding, operators must keep products and production units separate and maintain records to demonstrate effective separation¹⁵⁰.

Article 10 of Regulation (EU) 2018/848 comprises of the rules applied to the conversion¹⁵¹ process of organic agriculture. Farmers or operators must adhere to a conversion period. Throughout this period, they must comply with all organic production rules stated in the Regulation, especially those regarding conversion¹⁵². The conversion period commences once the farmer or operator notifies the activity to the competent authorities in the respective Member State where the activity is carried out and where the holding is subject to the control system¹⁵³. Retroactive recognition of a previous period as part of the conversion period is generally not allowed, except in specific cases where the operator's land parcels were subject to measures ensuring the use of only authorized products¹⁵⁴, or when proof is provided that the land parcels remained untreated with non-authorized products for at least three years¹⁵⁵.

Article 11 of Regulation (EU) 2018/848 contains the expressed prohibition of the use of GMO's. GMOs, products produced from GMOs, and products produced by GMOs are strictly prohibited in organic food and feed production. They cannot be used as food, feed, processing aids, plant protection products, fertilizers, soil conditioners, plant reproductive material, microorganisms, or animals in organic production¹⁵⁶. Operators can rely on product labels that comply with specific EU regulations to determine if a product is GMO-free for use in food and feed¹⁵⁷. If purchased food and feed products do not have a label or accompanying document indicating GMO content as required by the regulations mentioned above, operators may assume that no GMOs or GMO-produced products were used, unless they have information suggesting otherwise¹⁵⁸. Operators must obtain confirmation from vendors (third parties) that the non-organic products purchased are not produced from GMOs or produced by GMOs to ensure compliance with the GMO prohibition in organic production¹⁵⁹.

Article 16 of Regulation (EU) addresses production rules for processed food. Operators involved in the production of processed food must adhere to the detailed production rules specified in Part IV of Annex II and any implementing acts mentioned in point 3 of this Article¹⁶⁰.

Article 28 of the Regulation (EU) 2018/848 focuses on precautionary measures to prevent the presence of non-authorized products and substances in organic production. Operators involved in organic production, preparation, and distribution must implement

proportionate and appropriate measures to identify and avoid contamination risks with non-authorized products or substances. This includes systematically identifying critical procedural steps and complying with relevant requirements for the separation of organic, in-conversion, and non-organic products¹⁶¹.

The criteria for organic production in the EU are controlled through a combination of inspections, certification processes, and documentation requirements. Authorized regulation bodies conduct regular inspections to verify compliance with organic production standards, including the prohibition of synthetic chemicals, use of organic seeds and planting materials, implementation of soil management practices, adherence to animal welfare requirements, restrictions on chemical inputs, and maintenance of records and traceability.

2.2.2 Implementation of organic standards across EU member state

The comparison of organic standards among different EU member states reveals that, while there may be some variations, the fundamental principles and core requirements of organic production in the EU remain consistent. Regulation (EU) 2018/848 provides a harmonized framework for organic production, ensuring a common understanding of organic farming practices and certification processes throughout the EU. However, there exists Articles that allow variations in certain circumstances.

Article 20¹⁶² and 21¹⁶³ of the regulation allows member states to implement organic production practices that are adapted to local realities, provided these practices comply with the overarching principles and standards outlined in the Regulation. This flexibility ensures that organic farming respects regional conditions, agricultural traditions, and environmental challenges without deviating from uniform EU organic production standards. For example, farmers may apply different crop rotation practices or grazing strategies to align with local climate and soil conditions, if these practices adhere to organic principles. While organic aquaculture standards are consistent across the EU, production methods may vary due to the distinct environmental contexts of coastal versus landlocked regions, but these variations do not imply differences in organic production standards. The framework recognizes that consumer preferences may differ across member states. Organic standards can be adjusted to align with the preferences and expectations of consumers within a specific region. For instance, a member state

may choose to impose stricter regulations on certain aspects of organic production, such as animal welfare or pesticide usage, in response to strong consumer demand for higher ethical and environmental standards. These stricter rules can be driven by a member state's commitment to promoting sustainability, ensuring consumer confidence, or meeting specific societal expectations. The flexibility of the framework allows member states to tailor organic production standards to suit their specific regional conditions.

Article 25 outlines the rules regarding the authorization of non-organic agricultural ingredients for the production of processed organic food by Member States within the European Union. If certain agricultural ingredients necessary for processed organic food are not available in organic form in sufficient quantities, a Member State can grant a provisional authorization for the use of non-organic agricultural ingredients. This authorization is valid for a maximum of six months and applies to all operators within that Member State¹⁶⁴. The Member State can extend the authorization for two additional periods of six months each, but only if no other Member State objects and claims that the required organic ingredients are available in sufficient quantities¹⁶⁵. Control authorities or bodies recognized by Article 46(1) may grant provisional authorization to operators in third countries that request it. The authorization can be extended for two periods of six months each, subject to fulfilling the specified conditions in the third country¹⁶⁶. If, after two extensions of provisional authorization, a Member State has evidence that the availability of organic ingredients is still insufficient to meet the needs of operators, it can request the European Commission's assistance in accordance with Article 24(7)¹⁶⁷¹⁶⁸.

While there may be variations in organic standards among different EU member states, the fundamental principles and core requirements of organic production in the EU are consistent. Regulation (EU) 2018/848 provides a framework for organic production, ensuring a common understanding of organic farming practices and certification processes throughout the EU.

2.3 Recognition of equivalent organic production standards by the EU

2.3.1 Analysis of the process and criteria for recognizing countries with equivalent organic standards

While drafting the new regulations, lawmakers took into consideration that the adoption of organic agriculture is a global event and a framework for export and import of organic products from third countries is important for the EU to remain competitive and meet the demands of consumers in the EU¹⁶⁹. The process and criteria for recognizing countries as having equivalent organic production standards to the EU are governed by Chapter VII of Regulation (EU) 2018/848.

Chapter VII contains the following Articles that are significant to this study. Article 45 outlines the conditions for importing organic and in-conversion products from third countries into the EU. To import a product as organic or in-conversion within the EU market, three conditions must be met:

1. The product must fall within the definition of "product" as stated in Article 2(1)¹⁷⁰.
2. It must meet conditions specified in relevant trade agreements or adhere to equivalent rules with a certificate of inspection from the third country¹⁷¹.
3. Operators must provide traceability information to importers and authorities in both the EU and the third country¹⁷².

Article 45 (b) establishes three procedures for having products recognized as equivalent, the procedures available are:

“(i) the product complies with Chapters II, III and IV of this Regulation, and all operators and groups of operators referred to in Article 36, including exporters in the third country concerned, have been subject to controls by control authorities or control bodies recognised in accordance with Article 46, and those authorities or bodies have provided all such operators, groups of operators and exporters with a certificate confirming that they comply with this Regulation;

(ii) in cases where the product comes from a third country which is recognised in accordance with Article 47, that product complies with the conditions laid down in the relevant trade agreement; or

(iii) in cases where the product comes from a third country which is recognised in accordance with Article 48, that product complies with the equivalent production and control rules of that third country and is imported with a certificate of inspection confirming this compliance that was issued by the competent authorities, control authorities or control bodies of that third country;”

Equivalence in terms of Article 45 (b)(i) is provided by a control body or control authority in a third country, provided the control body or control authority is recognised in terms of Article 46. Article 46 regulates the recognition of control authorities and control bodies for carrying out controls and issuing organic certificates in third countries. Article 46 2 of Regulation (EU)2018/848 contains the requirements the control bodies and control authorities must meet in order to be recognised in terms of this Regulation. Article 46 2 was amended by Commission Delegated Regulation (EU) 2021/1697¹⁷³. Control authorities and control bodies seeking recognition for controlling imports of specific organic products into the EU must meet the following criteria:

“(a) they are legally established in one Member State or third country;

(b) they have the capacity to carry out controls to ensure that the conditions set out in points (a), (b)(i) and (c) of Article 45(1) and in this Article are met in relation to organic products and in-conversion products intended for import into the Union, without delegating control tasks; for the purposes of this point, control tasks carried out by persons working under an individual contract or a formal agreement that place them under the management control and the procedures of the contracting control authorities or control bodies shall not be considered as delegation, and the prohibition to delegate control tasks shall not apply to sampling;

(c) they offer adequate guarantees of objectivity and impartiality and are free from any conflict of interest as regards the exercise of their control tasks; in particular, they have procedures in place ensuring that the staff performing controls and other actions is free from any conflict of interest, and that the operators are not inspected by the same inspectors for more than 3 years consecutively;

(d) in the case of control bodies, they are accredited for the purpose of their recognition in accordance with this Regulation by only one accreditation body under the relevant harmonised standard for “Conformity assessment – Requirements for bodies certifying products, processes and services”, the reference of which has been published in the Official Journal of the European Union;

(e) they have the expertise, equipment and infrastructure required to carry out control tasks, and have a sufficient number of suitable qualified and experienced staff;

(f) they have the capacity and the competency to carry out their certification and control activities in accordance with the requirements of this Regulation and in particular Commission Delegated Regulation (EU) 2021/1698 for each type of operator (single operator or group of operators) in each third country and for each category of products they want to be recognised for;

(g) they have procedures and arrangements in place to ensure the impartiality, the quality, the consistency, the effectiveness and the appropriateness of controls and other actions performed by them;

(h) they have sufficient qualified and experienced staff so that controls and other actions can be performed effectively and in due time;

(i) they have appropriate and properly maintained facilities and equipment to ensure that staff can perform controls and other actions effectively and in due time;

(j) they have procedures in place in order to ensure that their staff have access to the premises of, and documents kept by operators so as to be able to accomplish their tasks;

(k) they have internal skills, training and procedures suitable to perform effective controls, including inspections, on operators as well as on the internal control system of a group of operators, if any;

(l) their previous recognition for a specific third country and/or for a category of products has not been withdrawn in accordance with paragraph 2a or their accreditation has not been withdrawn or suspended by any accreditation body in accordance with its procedures for the suspension or withdrawal established in accordance with the relevant international standard, in particular the International Organisation for Standardisation (ISO) standard 17011 – Conformity assessment – general requirements for accreditation bodies accrediting conformity assessment bodies, during the 24 months preceding:

(i) their request for recognition for the same third country and/or for the same category of products, except where the previous recognition was withdrawn in accordance with point (k) of paragraph 2a;

(ii) their request for an extension of the scope of recognition to an additional third country in accordance with Article 2 of Delegated Regulation (EU) 2021/1698, except where the previous recognition was withdrawn in accordance with point (k) of paragraph 2a of this Article;

(iii) their request for an extension of the scope of recognition to an additional category of products in accordance with Article 2 of Delegated Regulation (EU) 2021/1698;

(m) in the case of control authorities, they are public administrative organisations in the third country for which they request recognition;

(n) they meet the procedural requirements laid down in Chapter I of Delegated Regulation (EU) 2021/1698; and

(o) they meet any additional criteria that may be laid down in a delegated act adopted pursuant to paragraph 7”

Accreditation of control bodies, referred to in point (d) above, under harmonized standards can only be granted by national accreditation bodies in the EU¹⁷⁴ or accreditation bodies outside the EU that are signatories of a multilateral recognition arrangement¹⁷⁵. Control authorities and bodies seeking recognition must submit a technical dossier with relevant information, including assessment reports or

accreditation certificates¹⁷⁶. The Commission will supervise recognized control authorities and bodies by regularly reviewing their performance and recognition. The Commission may request additional information from accreditation bodies or competent authorities for this purpose¹⁷⁷. The nature of supervision will be based on the likelihood of non-compliance, considering factors such as the activity of the control authority or body and changes in production rules and control measures. Recognition may be withdrawn promptly in case of serious or repetitive infringements if appropriate and timely remedial action is not taken within a determined period¹⁷⁸.

Equivalence in terms of Article 45 (b)(ii) is obtained by an Equivalence under a trade agreement and is Regulated by Article 47 of Regulation (EU) 2018/848. At present, the EU has three separate bilateral agreements established with Chile, Switzerland, and the UK, respectively¹⁷⁹.

Equivalence in terms of Article 45 (b)(iii) is granted by equivalence under Regulation (EC) No 834/2007, specifically Articles 33(2)¹⁸⁰ and 33(3)¹⁸¹ of the Regulation. Articles 48 and 57 of Regulation (EU) 2018/848 set out the requirements for these forms of equivalence. The Commission will establish a list of recognized third countries through an implementing act and may amend this list as needed¹⁸². These countries will have equivalence until the 31st of December 2026¹⁸³. While Article 57 of Regulation (EU) provides that the Commission shall by means of an implementing act will establish a list of control bodies and control authorities recognised under Article 33(3) of Regulation (EU) 834/2007 for the purposes of this article¹⁸⁴. The authority granted to these entities will expire on the 31st of December 2024. Commission Implementing Regulation (EU) 2021/2325¹⁸⁵, was introduced to establish the list of third countries and the list of control authorities and control bodies that have been recognised under Article 33(2) and (3) of Council Regulation (EC) No 834/2007 for the purpose of importing organic products into the Union.

Article 45 further states that the Commission shall adopt implementing acts to specify rules for the content, issuance, verification, and technical means required to prove equivalence. These acts aim to ensure traceability and compliance of imported organic and in-conversion products¹⁸⁶. Commission Implementing Regulation (EU) 2021/1378¹⁸⁷ is the act used to introduce rules to be followed by operators and certification

authorities in third countries. The compliance with the import conditions shall be assessed at border control posts, the requirements for the border checks are contained in Regulation (EU) 2017/625¹⁸⁸.

The legislative foundation for EU organic agriculture has a well-developed framework for the regulation of products produced and certified in third countries and imported into the EU. This framework will be discussed in greater detail in the next chapter.

3 Criteria for Recognition of Equivalent Organic Production Standards

3.1 Analysis of the criteria set by the EU for recognizing competent authorities

3.1.1 *Assessment of the key factors and requirements for establishing equivalence in organic production standards*

The EU is home to one of the leading global shares in the organic market¹⁸⁹ and organic operators outside of the EU are continually striving to gain access to this lucrative market. This thesis aims to discuss the impact that EU regulations have on the import of organic products from third countries. As discussed above, for products to be imported into the EU they must meet the requirements laid down in the Regulation (EU) 2018/848. For the purposes of this chapter, equivalence in terms of Article 45 (b)(i) of Regulation (EU) 2018/848, whereby equivalence is granted by a control body or control authority that has been recognised as competent by Article 46 of the same Regulation, will be discussed in detail.

While equivalence in terms of Article 45 (b)(iii) of Regulation (EU) 2018/848 will not be discussed in detail, as the control bodies and control authorities granted equivalence in terms of Article 57, for recognition granted in terms of Regulation (EU) 2007/834, will have to apply for recognition in terms Article 46 of Regulation (EU) 2018/848 before 1st January 2025. Regulation (EU) 2021/2325 was brought into law and created a closed list of recognized control bodies and control authorities allowed to grant equivalence in terms of the Regulation (EU) 2007/834 rules and standards¹⁹⁰. As such the only way a control body or control authority can gain the recognition to grant equivalence in terms of Regulation (EU) 2018/848 is by gaining recognition in terms of Article 46.

In its 2019 Special Report, the European Court of Auditors discovered that 80% of the products imported into the EU were certified by a privately-owned control body, while the remaining 20% were certified by a control authority¹⁹¹. This makes a comprehensive understanding of the regime that regulates control bodies a valuable asset to anyone involved in the EU organic agriculture industry.

In order to meet the standard to be recognized as competent to carrying the actions expected by a competent authority in terms of Regulation (EU) 2018/848, a control body or authority must meet the criteria set out in Article 46 (2) of the Regulation, read with the amendments provided by Commission Delegated Regulation (EU) 2021/1697 (Table 3).

Table 3: Summary of the regulations contained in Article 46 (2) Regulation (EU) 2018/848

Article	Requirement
46(2)(a)	The company must be legally established in any jurisdiction to apply for certification.
46(2)(b)	The company should have the capability to conduct controls independently without subcontracting, except for laboratory sampling.
46(2)(c)	The company must ensure objectivity, impartiality, and freedom from conflict of interest in control tasks, with specific measures to prevent conflicts of interest among staff and operators.
46(2)(d)	Control bodies must be accredited by one accreditation body under relevant standards for conformity assessment.
46(2)(e)	The company must possess the necessary expertise, equipment, and infrastructure for carrying out control tasks.

Table 3: Summary of the regulations contained in Article 46 (2) Regulation (EU) 2018/848 (continuation)

Article	Requirement
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46(2)(f)	The company needs to demonstrate competency for certification and control activities in accordance with regulatory requirements for each type of operator and product category.
46(2)(g)	The company must ensure impartiality, quality, consistency, and effectiveness of controls through established procedures.
46(2)(h)	Sufficient qualified staff must be available for effective execution of controls and other actions.
46(2)(i)	Adequate facilities and equipment must be maintained to enable staff to perform controls effectively and efficiently.
46(2)(j)	The company should have procedures ensuring staff access to operators' premises and documents to fulfill their tasks.
46(2)(k)	The company must possess internal skills, training, and procedures to conduct effective controls, including inspections, on operators and their internal control systems.

Finally, Article 46 (2)(n) reads: *“they meet the procedural requirements laid down in Chapter I of Delegated Regulation (EU) 2021/1698”*. These procedural requirements will be discussed in detail below.

Article 1 of Commission Delegated Regulation (EU) 2021/1698 lays down the procedural requirements mentioned in Article 46(2)(n) above. The company requesting recognition must supply the commission with a technical dossier containing all the required information requested by Article 46 (2) of Regulation 2018/848¹⁹², in an official EU language and using the model provided by the commission. The contents of the technical dossier are set out in Article 1 2. of Commission Delegated Regulation (EU) 2021/1698 (Table 4).

Table 4: Summary of the requirements contained in Article 1 (2) of Commission Delegated Regulation (EU) 2021/1698

Article	Requirement
1(2)(a)	Provide contact information of the control authority or body, including name, address, phone number, email, and accreditation body for control bodies.

1(2)(b)	Outline intended activities in the third country, specify organic products for import into the EU, and categorize them according to the Combined Nomenclature codes.
1(2)(c)	Describe the structure, size, IT management system, branch offices, activities, organizational chart, and quality management of the authority or body. Disclose any delegated activities and detail the company's ability to delegate.
1(2)(d)	Present certification procedures for granting, rejecting, suspending, or withdrawing certificates as per Regulation (EU) 2018/848.
1(2)(e)	Translate production rules and control measures into understandable languages for contracted operators in third countries.
1(2)(f)	Include proof of accreditation certificate covering all product categories for which recognition is sought.
1(2)(g)	Provide detailed procedures for control measures, ensuring compliance with Regulation (EU) 2018/848 and Commission Delegated Regulation (EU) 2021/1698.
1(2)(h)	Catalog measures for addressing non-compliance as per Article 22 of Regulation (EU) 2018/848, adhering to Annex IV, Part A of Commission Delegated Regulation (EU) 2021/1698.
1(2)(i)	Include the most recent assessment report by an accreditation body or competent authority, confirming fulfillment of control requirements and competencies for each intended third country.
1(2)(j)	Provide proof of notification of activities to relevant authorities in the third country and commitment to respect legal requirements imposed by those authorities.
1(2)(k)	Furnish a website address accessible in at least one official EU language for contracted operators to access lists required by Article 17(a) of the Regulation.

1(2)(l)	Undertake to grant access to offices and facilities to independent experts designated by the Commission and communicate all relevant control activity information.
1(2)(m)	Declare no withdrawal or suspension by the Commission or any accreditation body in the 24 months preceding the recognition request, except withdrawal pursuant to Article 46(2a)(k) of Regulation (EU) 2018/848.
1(2)(n)	Include any other relevant information deemed necessary by the control authority or body or accreditation body.

The rigorous process of recognizing control authorities and control bodies for organic product certification in third countries is of paramount importance. Beyond being a mere bureaucratic procedure, this meticulous examination plays a vital role in safeguarding the integrity and authenticity of organic products imported into the European Union. By upholding strict eligibility criteria and supervising recognized entities, the EU ensures that only competent and impartial control authorities and control bodies are entrusted with the crucial task of certifying organic products. This not only protects the interests of European consumers but also fosters confidence in the organic certification process. Moreover, the significance of this process extends beyond mere regulatory compliance. It embodies the EU's commitment to promoting sustainable and eco-friendly agricultural practices worldwide. Recognized countries, through their certified organic products, contribute to the preservation of the environment, protection of biodiversity, and the well-being of agricultural communities. In an era where consumers are increasingly conscious of their choices and seek assurance about the products they consume, the integrity of organic certification becomes a beacon of trust. By adhering to stringent standards and conducting regular assessments, the EU creates a resilient organic supply chain, resonating with consumers who seek to support sustainable practices and contribute to a healthier planet.

- i. Examination of the certification processes and procedures for recognizing countries

The concept of equivalence in the context of international trade agreements holds significant importance and has proven to be beneficial in facilitating smoother trade relations between countries. The principle of equivalence seeks to establish a level playing field by recognizing the compatibility of regulations, standards, and procedures between trading partners. When implemented effectively, equivalence ensures that products, services, and certifications from one country are recognized and accepted as meeting the standards and requirements of another, promoting trade flow and fostering economic cooperation. In this context, equivalence plays a pivotal role in enhancing trade opportunities and reducing trade barriers. By acknowledging the mutual recognition of regulatory systems, countries can expedite the movement of goods and services, eliminating the need for duplicative testing, certification, or inspections. This not only streamlines trade processes but also reduces administrative burdens and associated costs for businesses engaged in international commerce. Furthermore, the concept of equivalence encourages regulatory convergence and harmonization, as countries seek to align their standards with those of their trading partners. Equivalence also promotes fair competition among nations by ensuring that products meeting the same standards receive equal treatment in the global market.

Equivalence in terms of international trade agreements, particularly under Article 45 (b)(ii) of Regulation (EU) 2018/848, plays a pivotal role in facilitating smooth and efficient trade between the European Union and third countries. This article allows imports from countries that have trade agreements with the EU and can grant equivalence under Article 47 of the same Regulation.

While the detailed explanation of equivalence under Article 45 (b)(iii) of Regulation (EU) 2018/848 is not explored, it is essential to note that countries previously granted equivalence under Article 48 of Regulation (EU) 2007/834 must now reapply for recognition under Article 47 of Regulation (EU) 2018/848 before January 1, 2027. This step ensures that the recognition process remains up-to-date and aligns with the latest regulatory standards. The enactment of Regulation (EU) 2021/2325 has further enhanced the equivalence mechanism by creating a closed list of recognized countries authorized to grant equivalence based on the rules and standards of Regulation (EU) 2007/834. As a result, the recognition to grant equivalence under Regulation (EU)

2018/848 can only be achieved through obtaining recognition under Article 47, fostering fair competition and regulatory harmonization among trading partners.

By recognizing the significance of equivalence in international trade agreements, we acknowledge its role in promoting regulatory convergence, product safety, and consumer protection. Equivalence not only streamlines trade processes but also nurtures global economic cooperation and trust between nations. As we continue to navigate the complexities of international trade, upholding the principle of equivalence remains crucial in fostering sustainable and prosperous trade relationships for the benefit of all parties involved.

3.2 Comparative study of different countries recognized by the EU

3.2.1 Comparative analysis of organic production standards in selected countries recognized by the EU

Currently there are three trade agreements that promote mutual recognition of regulatory systems, fostering trade flow and economic cooperation and allow the import of organic products in to the EU in terms of Article 45 (b)(ii) of Regulation (EU) 2018/848, read with Article 47. The three countries that have entered into such a trade agreement are namely (table 5):

- Chile, which is recognised in terms of the Agreement between the European Union and the Republic of Chile on trade in organic products¹⁹³.
- Switzerland, which is recognised in terms of the Agreement between the European Community and the Swiss Confederation on trade in agricultural products¹⁹⁴.
- The United Kingdom, which is recognised in terms of the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part¹⁹⁵.

Under these agreements, the Parties engage in regular information exchange, including updates on monitoring and supervisory activities, production standards, control measures, and any suspicions of irregularities that may arise during inspections conducted by the Parties. In light of the EU's implementation of a new legislative framework, the recognition of equivalence with Chile, Switzerland, and the UK will be revised to align with these changes. The respective third countries have been duly

notified, and the necessary actions to update the recognition of equivalence are anticipated to commence in 2023¹⁹⁶.

Table 5: Comparison of the agreements signed for the recognition of organic standards between the EU, Chile, Switzerland and The UK

	EU-Chile Agreement	EU-Switzerland Agreement	EU-UK Trade and Cooperation Agreement
Agreement Type	Trade in organic products	Enhanced trade cooperation focusing on agricultural products	Mutual recognition of general legislation and control systems
Scope	Import and marketing of certain organic products	Trade of organically produced agricultural goods and foodstuffs	Mutual recognition of equivalence of organic products
Compliance Requirements	Compliance with Chile's laws and regulations	Compliance with respective laws and regulations	Mutual recognition of equivalent standards

Table 5: Comparison of the agreements signed for the recognition of organic standards between the EU, Chile, Switzerland and The UK (continuation)			
	EU-Chile Agreement	EU-Switzerland Agreement	EU-UK Trade and Cooperation Agreement
Certification	Certificate of inspection required	System of competent authorities recognized	Equivalence of organic products certification
Legal Framework	Governed by Law 20.089 in Chile	Governed by respective laws and regulations	Based on general legislation and control systems

Competent Authority	Servicio Agrícola y Ganadero (SAG)	Federal Office for Agriculture (FOAG) recognized	General framework for oversight and enforcement
Implementation	Oversees implementation and compliance of regulations	Enforces regulations related to organic farming and trade	Framework for ensuring compliance and maintaining consumer trust
Mutual Recognition	Maintains mutual recognition and equivalence	Acknowledges certain laws and regulations as equivalent	Recognizes equivalence of standards for organic products
Date of Agreement	Not specified	Not specified	Signed on 30 December 2020, effective from 1 May 2021
Additional Notes/Provisions	Annex I lists authorized organic products for import	Annex 9 outlines provisions for trade of organic products	Annex 14 specifies product categories with recognized equivalence
Date of agreement	27/04/2017	21/06/1999	30/12/2020
Date of coming into force	01/01/2018	01/06/2002	01/05/2021

The recognition of trade agreements for the purpose of equivalence on organic products exhibits a diverse range of scopes and complexities. Each agreement differs in its breadth and depth, catering to the specific needs and priorities of the involved parties. The Chile agreement stands as a concise and focused agreement, solely concerning the recognition of organic agriculture regimes. Its streamlined approach emphasizes the importance of organic products in the bilateral trade relationship. On the other hand,

the Swiss agreement casts a wider net, encompassing the entire market of agriculture and agricultural products, with organic agriculture constituting only a portion of the overall agreement. This broader scope demonstrates the Swiss agreement's commitment to harmonizing various aspects of agricultural trade. Lastly, the UK agreement, part of one of the most extensive and comprehensive trade agreements, covers a vast range of market areas, including agriculture. Within this larger framework, organic agriculture finds its place among other agricultural sectors, reflecting the UK's commitment to sustainable and organic practices within a broader economic context.

The recognition of trade agreements for equivalence on organic products exemplifies the flexibility and adaptability of international trade relations. The varying scopes and levels of complexity underscore the importance of tailoring agreements to suit the diverse needs and interests of participating nations, while also promoting sustainable and environmentally friendly agricultural practices on a global scale.

3.2.2 Evaluation of the challenges and successes in achieving recognition by the EU

The "Brussels effect"¹⁹⁷ refers to the significant influence of European Union regulations and standards on global markets and regulations, even beyond the EU's borders. It occurs when the EU's regulatory choices become the de facto global standard, as companies and countries outside the EU adopt these rules to access the lucrative EU market or to harmonize their own regulations with the EU's. In the context of the recognition regimes discussed above for organic products, the "Brussels effect" could play a crucial role in shaping international trade dynamics and organic product standards. As the EU implements new legislative frameworks and standards for organic products, other countries may be incentivized to align their regulations with the EU's to ensure continued market access and equivalence recognition. The EU's large consumer base and robust market for organic products make it an attractive destination for exporters. To access this market, third countries seeking recognition of equivalence may be compelled to adopt or adapt their organic product standards to match those set by the EU. As the EU continues to update its organic product regulations and standards, the "Brussels effect" may lead to a ripple effect on a global scale. Other countries, not directly involved in the trade agreements mentioned above, may also consider aligning

their organic product standards with the EU's to remain competitive in the international market and maintain equivalence recognition.

Certification bodies, acting as private entities while carrying out public functions in ensuring compliance with organic standards, warrant careful scrutiny to mitigate potential negligence in inspections and fraudulent practices. It is essential to acknowledge the inherent conflict of interest that arises when organic product producers remunerate the certification bodies for their inspection services, potentially compromising the objectivity of auditors. It is important to acknowledge the complexity of the challenges posed by certification bodies, as their actions can significantly impact the integrity of organic standards and consumer confidence. Vigilant measures, stringent audits, and transparency are required to safeguard the credibility of the organic certification system and uphold its principles. By addressing these challenges head-on, stakeholders can work towards bolstering consumer trust in organic products and promoting sustainability in the global marketplace.

The "Brussels effect" is likely to shape the future of organic product trade and regulations by exerting pressure on countries and control bodies to conform to EU standards and secure equivalence recognition. As the EU continues to lead in setting high-quality organic product standards, its influence on global markets is expected to grow, encouraging a convergence towards EU rules to facilitate international trade in organic products.

4 Challenges in Ensuring Imported Organic Products Meet EU Standards

4.1 Examination of the certification and verification processes

4.1.1 Overview of the procedures and protocols for certifying organic products in non-EU countries

In the preceding section, the procedural aspects pertaining to the attainment of recognition by authorities were explicated. Once the organs have successfully attained this recognition status, they become subject to an array of stringent legal provisions that govern and prescribe their actions. Regulation (EU) 2018/848 plays a crucial role in maintaining the integrity and authenticity of organic products. To ensure that operators and groups of operators in third countries adhere to this regulation, a comprehensive

control system has been put in place by control authorities and bodies. The process can be summarized into several essential steps that work in tandem to verify compliance and maintain the high standards set forth in the regulation.

There is a rigorous verification of compliance by control authorities. This verification has a range of aspects, such as confirming the application of preventive and precautionary measures at every stage of production, preparation, and distribution. The objective is to ensure that organic products meet the required standards and maintain their organic integrity throughout the entire process¹⁹⁸. Additionally, in cases where holdings include non-organic or in-conversion production units, thorough checks are conducted to guarantee effective separation between organic, in-conversion, and non-organic units, as well as their respective products and substances used¹⁹⁹. The control process follows a risk-based approach, with the frequency of inspections determined by the likelihood of non-compliance²⁰⁰. Various factors are considered in assessing the risk, such as the type, size, and structure of the operators and groups, the complexity of their operations, and the length of their involvement in organic production. Other crucial elements include the results of previous controls, the types and quantities of products, the risk of contamination, and the adherence to derogations and exceptions. These factors together guide the control authorities in allocating their resources more effectively to address areas of higher risk and potential non-compliance²⁰¹. Regular on-the-spot inspections must be undertaken. These physical inspections play a vital role in verifying compliance and confirming the accuracy of records and practices²⁰². Moreover, control authorities carry out additional controls, equivalent to at least 10% of the regular inspections, and ensure that at least 10% of the on-the-spot inspections are conducted without prior notice. This surprise element is essential to maintain the integrity of the control process and deter potential non-compliance²⁰³. Follow-up controls address suspected or established non-compliance, reinforcing compliance seriousness and deterring deviations from standards²⁰⁴. Re-inspection of group members annually ensures accountability, with at least 5% inspected (minimum 10) and all members in smaller groups²⁰⁵. High-risk products require two on-the-spot inspections per year, one unannounced, enhancing control measures²⁰⁶. All production units handling non-organic

products are subject to control requirements, avoiding loopholes²⁰⁷. The issuing or renewal of a certificate is decided by these activities taking place.

The certification process for organic operators and groups is a crucial aspect of ensuring the integrity and authenticity of organic products in the market. Organic production practices involve adhering to strict regulations and standards that emphasize environmental sustainability, animal welfare, and the avoidance of synthetic chemicals. To achieve certification, operators and groups must undergo a meticulous evaluation by a control authority or control body.

The first step of the certification process involves the operators or groups of operators submitting a comprehensive set of documents to the control authority or control body. This documentation includes a signed declaration that provides essential information about the organic and/or in-conversion production unit, non-organic production units (if applicable), and the activities to be performed in compliance with Regulation (EU) 2018/848. Additionally, the declaration must outline measures to ensure compliance with organic production rules and precautions to prevent contamination by non-authorized substances²⁰⁸. Moreover, operators must confirm that they have not been certified by another control body for the same activities in the same third country. This ensures that certification remains exclusive and avoids overlapping or conflicting certifications among different control authorities. Similarly, groups of operators must provide a confirmation that their individual members have not been certified on an individual basis for the same activity covered by the group's certification²⁰⁹. Operators or groups are required to sign an undertaking, committing to grant the control authority or control body access to all production units and premises for control purposes. They must also provide any necessary information for controls, submit the results of their quality assurance programs when requested, and inform buyers promptly if any non-compliance suspicions arise²¹⁰.

In the second step, the control authority or control body performs a thorough verification to ensure that operators or groups comply with Chapters II, III, and IV of Regulation (EU) 2018/848 and Article 36 of the same Regulation²¹¹. This verification process must involve on-the-spot inspections to assess the actual implementation of organic production practices. By conducting physical inspections, the authority can gain

firsthand knowledge of the processes involved and ascertain compliance. If operators or groups subcontract any of their activities to third parties, both the operators and subcontractors must hold certification from recognized control authorities or control bodies, confirming compliance with the aforementioned regulations. If operators retain responsibility for organic production while subcontracting certain activities, the control authority must verify that the subcontracted activities also adhere to the relevant organic production rules²¹². Control authorities and bodies are required to conduct controls on operators and groups of operators based on documented procedures. These procedures encompass a range of essential elements, such as stating objectives, defining responsibilities, outlining sampling strategies, and assessing risks. Additionally, they must verify the appropriateness of methods and incorporate other necessary activities for effective control. Control authorities and bodies are obligated to take corrective measures in case of identified shortcomings and update the documented procedures accordingly to enhance the control process and ensure compliance²¹³.

The inspection and verification processes carried out by these authorities are extensive and aimed at evaluating the compliance of operators or groups of operators with Regulation (EU) 2018/848. The inspection process involves a thorough preparation to ensure its effectiveness. Control authorities meticulously review maps or sketches provided by operators, verifying their accuracy and currency²¹⁴. This step ensures that the geographical locations of production units and premises to be physically inspected are up to date, forming a foundation for subsequent assessments. The inspection then moves on to encompass various crucial aspects. The first involves a comprehensive examination of the production units, equipment, means of transport, premises, and other controlled areas under the jurisdiction of operators. Additionally, authorities scrutinize animals, plants, goods, and substances used in organic production, along with relevant documentation and records²¹⁵. Interviews with operators and staff offer valuable insights into the operational processes and compliance measures in place²¹⁶. Sampling and laboratory analysis are critical tools employed by control authorities to validate the quality and authenticity of organic products²¹⁷. Furthermore, the effectiveness of the control system implemented by operators is evaluated, gauging its ability to ensure adherence to organic production regulations²¹⁸. Notably, past non-

compliances are reviewed, and measures taken by operators to rectify these issues are examined closely²¹⁹.

The inspection process culminates in two crucial checks: traceability and mass balance assessments. These checks are instrumental in verifying the authenticity and accountability of organic products and ingredients used in production²²⁰. Traceability checks involve meticulous documentation review, encompassing the name and address of suppliers, consignees, buyers, and importers. The validity of certificates and adherence to relevant regulations, such as those specified in Article 45(4) of Regulation (EU) 2018/848, are scrutinized. The traceability check also extends to ensuring appropriate lot identification and information necessary for internal traceability in the case of processors²²¹. Mass balance checks are equally significant, as they focus on quantities and movements of products at various stages of production and distribution. From the delivery of materials to production units to the yield obtained over the past and current years, each step is meticulously examined²²². This check enables authorities to assess the overall output of the holding in terms of organic and non-organic products, thus ensuring accountability and transparency in the organic production process.

Control methods and techniques employed by control authorities in organic production are multi-faceted and rigorous. The inspection and verification processes, with their focus on traceability and mass balance, play a crucial role in upholding the integrity of organic products. However, sampling and laboratory analysis play a crucial role in aiding control authorities and bodies in detecting unauthorized substances, checking production techniques, and identifying potential contamination in organic production. The process of sampling, the methods employed for sampling, and the meticulous selection of laboratories for sample analysis are regulated by Article 12 of Commission Delegated Regulation (EU) 2021/1698.

The control authority or control body is responsible for conducting the sampling process, ensuring that organic operators are chosen fairly and representative of the entire organic production landscape²²³. To achieve reliable and statistically significant results, the control authority or control body adheres to specific methods for sampling. Firstly, a minimum sampling rate is established, stipulating that at least 5% of individual operators and 2% of members of operator groups must be subject to sampling. The

selection of operators and groups is based on a comprehensive risk assessment, which considers various factors influencing non-compliance with organic production rules across all stages of production, preparation, and distribution²²⁴. The control authority or control body reserves the right to conduct sampling beyond the minimum rate when suspicions arise regarding the use of unauthorized products or non-compliant techniques²²⁵. For high-risk products, further sampling is mandated, including at least one field sample of crops annually. In the case of operators not growing crops, relevant samples of incoming raw materials, intermediate products, or processed items are obtained for analysis²²⁶.

The accuracy and reliability of sample analysis play a supporting role in effective organic production control. While analyses are conducted on a sampling basis and are not required for every batch, they contribute to verifying compliance within a broader process-oriented control system. It is important to note that organic certification prioritizes production processes over individual batch certification, aligning with the systemic approach of organic standards. Hence, utmost care is taken in selecting laboratories that meet stringent criteria. Accreditation to the ISO standard ISO/IEC 17025²²⁷, is a fundamental prerequisite for all chosen laboratories²²⁸. The accreditation bodies must be signatories of the International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Arrangement, ensuring global recognition and trust in the laboratory's capabilities²²⁹. Laboratories must possess sufficient capacity for analysis and testing, enabling them to employ relevant methods within the scope of their accreditation²³⁰. For pesticide residue testing in the context of official food control, laboratories must be accredited for gas and liquid chromatography-mass spectrometry. These techniques enable comprehensive monitoring of pesticide residues, ensuring compliance with the coordinated multi-annual control program of the EU, which establishes harmonized standards for official checks²³¹.

The sampling process and laboratory selection in organic production control are intricate procedures vital to maintaining the integrity of organic products. By adhering to rigorous methodologies for sampling and employing accredited laboratories for sample analysis, control authorities and bodies can effectively detect non-compliance

with organic production rules, thereby safeguarding consumer interests and upholding the principles of organic agriculture.

Once the above controls have been made written records of controls are essential in verifying compliance with Regulation (EU) 2018/848. Control authorities and bodies create records of each control performed, detailing the purpose, methods used, outcomes, and required actions. These records ensure transparency, enhance accountability, and promote procedural fairness. They must be kept for at least 5 years, contributing to historical data for audits and continuous improvement. The records play a crucial role in maintaining regulatory integrity and public confidence in certified entities²³².

In cases where operators or groups were previously certified by a different control authority or control body, the new control authority is tasked with assessing the status and validity of the prior certification. This involves obtaining information from the previous control authority, including inspection reports, non-compliances, measures taken to address them, and any ongoing disputes relevant to the certification²³³. If the previous control authority fails to provide the required information or if doubts persist regarding the transmitted information, the new control authority is prohibited from issuing a certification until these doubts are satisfactorily resolved through alternative means of control²³⁴.

The certification process for organic operators and groups is a comprehensive and rigorous procedure designed to maintain the authenticity and trustworthiness of organic products. By adhering to the steps outlined above, control authorities and control bodies ensure that operators and groups comply with the necessary regulations and uphold the principles of organic production. This process not only safeguards consumers' interests but also promotes sustainable agricultural practices and environmental responsibility within the organic industry.

4.1.2 Overview of the procedures and protocols for importing organic products in non-EU countries

The responsibility for certifying consignments of imports lies with control authorities and control bodies. These entities assume a pivotal role in regulating and overseeing the importation process to ensure compliance with applicable standards, regulations, and

safety protocols. While control bodies certify that the products meet the required organic standards, it is ultimately the customs control authorities of the importing country, through systems like the Points of Import and First Reception (PIF), that authorize the entry of imported goods. This division of responsibilities ensures compliance with organic regulations while maintaining the integrity of the importation framework and safeguarding the interests of consumers and domestic industries. Their meticulous assessment of imported consignments aims to ascertain conformity with established norms, while also mitigating potential risks associated with substandard or hazardous products. Through their diligent and impartial evaluation, control authorities and control bodies play an essential role in maintaining the quality and security of international trade transactions

The process begins with the involvement of the relevant control authority or control body. Their primary responsibility is to undertake a meticulous assessment of consignments that are earmarked for import into the EU. This assessment is carried out with the objective of ensuring adherence to Regulation (EU) 2018/848 and the specific regulations governing the import of organic products²³⁵. Determining the appropriate control authority or control body is crucial to ensure effective and accurate verification. This authority is linked either to the producer or processor of the product being imported²³⁶. Alternatively, if the last operation for preparation is conducted by a distinct operator or group of operators, the responsibility for verification lies with the control authority or control body associated with this final operator²³⁷. Recognition of the designated control authority or control body in accordance with Regulation (EU) 2018/848 is imperative for the products in question and the third country of origin or export, or the country where the final preparation operation was carried out.

The documentary verification phase forms a critical aspect of the process. It entails comprehensive checks to ascertain compliance with specific requirements. The primary focus is on ensuring the traceability of the products and their ingredients²³⁸. Additionally, the volume of products included in the consignment must align with the mass balance checks carried out by relevant operators or groups of operators, based on the assessment conducted by the control authority or control body²³⁹. The verification also extends to the review of essential transport and commercial documents, including

invoices²⁴⁰. In cases of processed products, it is essential to validate that all organic ingredients originate from operators or groups of operators certified by recognized control authorities or bodies in a third country, in accordance with the provisions laid out in Regulation (EU) 2018/848, or from those produced and certified within the EU²⁴¹.

Before conducting physical inspections, the relevant control authority or control body must undertake a risk assessment based on specific criteria. These criteria encompass various factors, such as those listed in Article 9(2) of Commission Delegated Regulation (EU) 2021/1698, which serve as risk indicators²⁴². Additionally, the assessment considers the involvement of multiple operators in the distribution chain who may not handle organic products physically. The identification of high-risk products, as specified in Article 8, is also part of the risk assessment process²⁴³. Consignments that consist of bulk organic products undergo an additional step in the verification process. The designated control authority or control body is responsible for drafting a comprehensive travel plan within the Trade Control and Expert System (TRACES). This travel plan includes all premises involved in the transit of the consignment from the third country of origin or export to the EU²⁴⁴.

For consignments containing high-risk products, the verification process involves systematic physical inspections and the collection of representative samples from each consignment. To ensure transparency and accountability, the control authority or control body must maintain complete traceability documentation, which includes transport and commercial documents, including invoices. This documentation, along with the results of the sampling analysis, must be shared with the control authority or control body of the importer and the competent authority of the Member State where the consignment is being verified, upon request by the Commission or the competent authority²⁴⁵.

The verification of consignments intended for import into the EU is a meticulous process designed to uphold the integrity of organic products and ensure compliance with regulatory standards. By encompassing documentary checks, risk assessment, physical inspections, and traceability documentation, the EU aims to instill confidence in consumers and maintain the credibility of its organic importation practices.

4.1.3 Analysis of the challenges and limitations in verifying the authenticity and compliance of imported organic products

Third-party certification (TPC) has become a popular approach to verify compliance with standards and regulations in various industries. By delegating public control activities to private certification bodies, governments and organizations aim to streamline the process, reduce administrative burdens, and promote transparency. The organic certification system plays a pivotal role in ensuring the authenticity and integrity of organic products in the market. The organic certification system plays a pivotal role in ensuring the authenticity and integrity of organic products in the market. However, when products originate from third countries and are certified by private certification bodies, risks such as inconsistent application of standards, fraudulent labelling, and insufficient oversight by control authorities may arise. These risks are often linked to variations in national regulatory frameworks, inadequate monitoring mechanisms, and the potential for economic incentives to compromise compliance. This section of the study explores the key risks associated with the certification process and examines how the potential conflict of interest created by private certification companies' financial dependencies on producers can compromise the integrity of organic certification²⁴⁶.

A conflict of interest in the context of organic certification refers to situations where certifying bodies may have financial, organizational, or personal ties to the producers they are supposed to impartially assess. While this issue is mitigated through the accreditation of control bodies that comply with stringent requirements for impartiality and independence. This is especially pertinent in some third countries where oversight may be weaker. It is crucial to acknowledge that both EU-based and third-country control bodies must meet the same accreditation standards, but the practical implementation of these standards can vary significantly, influenced by regional governance and enforcement challenges. Such affiliations can create a bias, leading to the relaxation of stringent inspection procedures or overlooking non-compliances, as the certifiers might prioritize their economic interests over maintaining the integrity of the certification process²⁴⁷.

The competition between control bodies has also been recognized as a potential threat to the overall control system. Intense competition can lead to a race to the bottom, where certifying bodies may feel pressured to lower their standards to attract more

producers seeking certification. This dilution of standards may result in inconsistent certification outcomes, as different control bodies apply varying criteria and interpretations of organic regulations²⁴⁸. Competition among control bodies may also lead to inconsistent auditing practices. In an effort to attract more clients, some certifiers may conduct audits less rigorously or may overlook certain non-compliances, compromising the thoroughness and effectiveness of the certification process²⁴⁹. This lack of consistency undermines the integrity of the certification system and reduces its overall effectiveness in ensuring the quality of organic products. A highly competitive environment may hinder cooperation and information sharing among certifiers. Instead of collaborating to establish best practices and harmonize auditing procedures, control bodies may be reluctant to share knowledge and insights to gain a competitive advantage²⁵⁰.

The concept of certification, particularly in the context of quality management systems, has become synonymous with obligation rather than genuine motivation. Many businesses view obtaining certification as a necessary box to tick, rather than a voluntary pursuit driven by the desire to improve their processes and standards. This shift in perception has significant implications, especially concerning supplier behavior. Faced with the prospect of obtaining costly certifications, suppliers may be inclined to seek out cheaper alternatives, such as opting for third-party audits that come at a lower price²⁵¹²⁵². In doing so, they might sacrifice the true essence of a robust quality management system, focusing solely on meeting the minimum requirements to satisfy external stakeholders.

The leniency in evaluation may allow non-compliant products to obtain certification, undermining the trust of consumers and devaluing the organic label. As in the example of *P. Krücken Organic GmbH v Commission*²⁵³, the CJEU examined the EU's oversight of organic certification in non-EU nations. An importer faced issues with contaminated organic products from China and blamed the Commission for not regulating the private certification body adequately. The CJEU rejected the case due to insufficient evidence linking damages to the Commission's actions but raised concerns about potential deficiencies in the organic certification process's regulatory framework. As such concerns have arisen regarding the reliability and effectiveness of TPC. There exist

significant differences among private certification bodies²⁵⁴. These disparities have led to a lack of consistent monitoring quality, especially concerning organic products. This issue arises from the varying interpretations and implementations of certification standards by different bodies, resulting in inconsistency and potential gaps in the certification process. Another aspect of TPC's reliability is the quality of audits conducted by private certification bodies. A study on a German meat industry initiative revealed worrisome findings. The study indicated that the validity and reliability of audits were not guaranteed, raising doubts about whether TPC was indeed achieving its stated goals²⁵⁵. The lack of uniformity in auditing practices can create room for error, bias, or even fraud, putting the credibility of certified products at risk.

The risks of fraud in the organic certification system, particularly when products originate from third countries and involve private certification companies, remain a significant concern. While accredited bodies, both within the EU and in third countries, are required to demonstrate compliance with standards of impartiality and freedom from conflicts of interest, corruption remains a real and persistent challenge that cannot be ignored.

To safeguard the credibility of the certification process, government oversight, third-party audits, and transparent documentation are essential. Strengthening the independence of certification bodies, conducting random inspections, and ensuring public access to information are crucial steps to mitigate fraud risks. Acknowledging and addressing the potential for corruption within this framework is vital for upholding consumer trust and fostering the growth of the organic market while maintaining the integrity of organic products.

5 Regulation of the EU Organic Logo on Imported Products

5.1 Overview of EU regulations on the use of the organic logo

5.1.1 Explanation of the guidelines and restrictions for using the EU organic logo on products

This chapter aims to explore the significance of labelling and the use of a logo for organic operators, particularly regarding products produced outside of the EU. Labelling plays a pivotal role in consumer decision-making and serves as a vital communication tool for businesses. For organic operators, particularly the use of labelling, especially in the form

of logos, holds significant importance. In today's environmentally conscious world, consumers increasingly seek products that align with their values, such as sustainability, environmental friendliness, and health. Organic products, which are produced following strict regulations and environmentally friendly practices, have gained widespread recognition and popularity among consumers. Therefore, employing a clear and credible logo to signify organic authenticity not only benefits consumers by enabling them to make informed choices but also provides organic operators with a powerful marketing tool to differentiate their products in a competitive market.

Organic food production is generally smaller in scale than conventional agriculture, resulting in a limited supply²⁵⁶. As demand for organic products grows, the limited supply contributes to higher prices. Organic farming typically requires more labour-intensive practices and lacks the economies of scale achieved in conventional farming²⁵⁷. This results in higher production costs for organic farmers. Organic and conventional produce must be kept separate during post-harvest handling, processing, and transportation, which adds additional costs to the organic supply chain²⁵⁸. The marketing and distribution chain for organic products may be less efficient due to smaller volumes, leading to higher costs for consumers²⁵⁹. As result of these considerations organic operators seek to employ premium pricing. Premium pricing refers to a pricing strategy in which a company sets higher prices for its products or services compared to the prices of similar offerings in the market. The goal of premium pricing is to position the product or service as superior in quality, features, or value, and to attract customers who are willing to pay a premium for perceived higher benefits²⁶⁰.

The presence of an organic logo is of paramount importance in the premium pricing strategy of organic products. It not only establishes credibility, authenticity, and trust among consumers, but also communicates the added value of sustainability and health benefits associated with organic offerings. The logo strengthens the brand perception, enhances differentiation in the market, and ensures compliance with regulatory requirements. As the demand for organic products continues to grow, the organic logo will remain a crucial element in the marketing and positioning of premium organic products, empowering businesses to justify their higher prices and appeal to consumers seeking ethical and high-quality choices.

The use of organic labelling and the organic logo in the EU is strictly regulated by the provisions of Regulation (EU) 2018/848. Article 30 of the Regulation establishes guidelines for the use of terms related to organic production on product labels, advertising material, and commercial documents. If a product, its ingredients, or feed materials used for its production are described in a way that suggests compliance with this regulation, it is considered to bear terms referring to organic production²⁶¹. Products not compliant with this regulation cannot use the organic-related terms in any language listed in Annex IV within the EU. Misleading terms, including those used in trademarks or company names, are also not allowed²⁶².

The EU has established compulsory indications for labelling organic products. When products are labelled with specific terms as outlined above, including those labelled as in-conversion products, the label must also display the code number of the control authority or body responsible for the last production or preparation operation²⁶³. Additionally, prepacked food must bear the EU organic production logo from Article 33 on the packaging²⁶⁴. When the EU organic production logo is used, the label must indicate where the agricultural raw materials used in the product were farmed. This indication can take three forms: "EU Agriculture" for materials farmed within the Union, "non-EU Agriculture" for materials farmed in third countries, and "EU/non-EU Agriculture" for products with materials farmed in both the Union and a third country²⁶⁵. The labelling indications, must be clearly visible, legible, and indelible, prominently placed on the product's packaging²⁶⁶.

The organic production logo of the EU can be used on product labels, presentations, and advertisements for items that meet the EU's organic production regulations²⁶⁷. It is important to note that the organic production logo cannot be used for processed food items as defined in points (b) and (c) of Article 30(5) and for in-conversion products as defined in Article 30(3). The organic production logo serves as an official attestation, as per the requirements of Articles 86²⁶⁸ and 91²⁶⁹ of Regulation (EU) 2017/625²⁷⁰. This means it carries legal significance and signifies compliance with the EU's organic production standards. The use of the organic production logo of the European Union is optional for products imported from third countries. However, if the logo is displayed on the labelling of such products, it must be accompanied by the indication referred to

in Article 32 2²⁷¹. This ensures transparency and helps consumers recognize the organic products. The organic logo of the EU must adhere to the design outlined in Annex V, and its usage must comply with the rules specified in that Annex. The Annex provides detailed guidelines on how the logo should look and how it should be used to maintain consistency and accuracy²⁷². In addition to the EU organic production logo, national logos and private logos can also be used on product labels, presentations, and advertisements for products that comply with the EU organic production regulations²⁷³. This allows for flexibility and recognizability of different organic certification systems. The European Commission has the authority to adopt delegated acts, as per Article 54, to amend Annex V concerning the organic production logo of the European Union and the associated rules²⁷⁴. This gives the Commission the power to make changes to the logo's design and usage guidelines if necessary to align with evolving standards and requirements.

The guidelines and restrictions for using the EU organic logo on products are designed to ensure transparency, consumer trust, and adherence to the EU's organic production standards. The logo serves as an official attestation, providing legal significance to products that meet the rigorous organic requirements set forth by the European Union. By allowing its use on labels, presentations, and advertisements of compliant products, consumers can easily identify and choose authentic organic items, boosting consumer confidence and supporting the organic market. The EU's organic production logo also helps in achieving premium pricing for organic products. With consumers increasingly valuing sustainable and organic practices, the logo acts as a valuable marketing tool, indicating quality and authenticity. Premium pricing becomes possible as consumers are willing to pay more for products with a recognized and trustworthy organic certification.

Moreover, the optional use of the EU organic logo for products imported from third countries can benefit both consumers and producers. When used on imported products, it provides consumers with the assurance of the product's organic status, similar to domestic organic items. For producers in third countries, adopting the EU's organic standards and displaying the logo can open doors to the European market, as it signals compliance with the EU's stringent regulations, leading to increased export opportunities. Overall, the guidelines and restrictions for using the EU organic logo play

a crucial role in supporting the growth of the organic industry, fostering consumer confidence, and promoting international trade in organic products. By maintaining clarity and consistency in its usage, the EU organic logo enhances the reputation of organic products, driving premium pricing and facilitating market access for products from third countries.

5.2 Evaluation of the enforcement mechanisms for non-EU countries

5.2.1 *Analysis of the measures and strategies employed by the EU to enforce compliance with organic regulations for imports*

The EU places significant emphasis on ensuring the integrity and authenticity of organic products circulating within its market. The enforcement of compliance with organic regulations for imports is a matter of paramount importance, driven by the need to uphold stringent standards and instil consumer confidence. Through the implementation of well-defined measures and strategies, as highlighted in the preceding chapters, the EU strives to safeguard consumers from deceptive practices, support sustainable agricultural practices, and maintain the credibility of its organic certification system. In this section, we delve into the significance of these measures and strategies, analysing their implications for consumers, producers, and the organic industry as a whole within the EU context. By elucidating the multifaceted rationale behind these enforcement mechanisms, this study contributes to a comprehensive understanding of the EU's commitment to ensuring the authenticity and sustainability of organic products available in its market.

The enforcement of quality control of imports begins at the Commission level. In the amended Art 46 2a. of Regulation (EU) 2018/848 the role of the Commission in safeguarding consumer trust and maintaining the credibility of the EU's organic market is established. One of the crucial mechanisms at the Commission level to enforce compliance with organic regulations for imports is the power to withdraw the recognition of a control authority or control body. The Commission reserves the right to suspend the recognition if any of the established recognition criteria are no longer met, or if there is evidence of non-compliance or irregularities²⁷⁵. The EU Commission requires control authorities and control bodies to submit detailed annual reports²⁷⁶, outlining their activities, findings, and compliance with EU regulations. The Commission scrutinizes these reports rigorously, assessing the quality and accuracy of the

information provided. Should any submitted report be incomplete, inaccurate, or non-compliant with the established requirements, the Commission can exercise its authority to take necessary actions, including potential withdrawal of recognition²⁷⁷. This fosters transparency and accountability within the importing nations' organic certification systems.

To ensure the effectiveness of control measures and the integrity of the certification process, the EU Commission initiates on-the-spot examinations and audits of control authorities and control bodies in third countries²⁷⁸. These audits are intended to be comprehensive and methodical, designed to identify any shortcomings or systemic issues. The Commission evaluates the implementation of its recommendations following such audits, further emphasizing its commitment to continuous improvement and ensuring compliance²⁷⁹. Prompt and efficient communication between the EU Commission and the recognized control bodies is crucial for enforcing organic regulations for imports. The Commission has set specific deadlines for responses and information provision. Failure to comply with these deadlines, or the provision of incomplete or inaccurate information, may lead to sanctions²⁸⁰. This approach establishes a framework of cooperation and accountability, encouraging exporting nations to prioritize responsiveness and adherence to EU requirements.

The EU Commission emphasizes the importance of maintaining data continuity and transparency during operator transfers between control authorities or control bodies. Failure to provide relevant elements of the control file in a timely manner after an operator transfer request can trigger compliance-related consequences. This measure aims to prevent gaps in the certification process and maintain trust in the EU's organic regulatory system²⁸¹. The EU Commission employs a multifaceted approach to enforce compliance with organic regulations for control authorities and control bodies. By combining rigorous audits, thorough annual reporting, and a prompt response to inquiries, the Commission establishes a robust framework that ensures imported organic products meet the EU's high standards.

The enforcement of organic production rules for operators is conducted by duly qualified competent authorities. In the case of imports from third countries this enforcement will most likely be conducted by a control body, recognised in terms of

Article 46, that has been duly authorized by the delegating provisions of Article 40 2 of Regulation (EU) 2018/848 to have the decision-making power in cases of suspected non-compliance. Article 22 of Commission Delegated Regulation (EU) 2021/1698 provides additional rules for controlling the import of non-compliant organic products into the EU specifically in third countries. Competent authorities are required to investigate suspected Non-Compliance. In conjunction with the measures specified in Article 29(1), (2), and (3) of Regulation (EU) 2018/848 and Article 2 of Implementing Regulation (EU) 2021/279, control authorities or bodies are required to conduct immediate investigations if they suspect or receive credible information indicating that a product, intended for import from a third country, may not comply with EU organic regulations. This applies specifically to products labelled with terms referring to organic production²⁸².

The investigation aims to verify compliance with Regulation (EU) 2018/848 and its relevant delegated or implementing acts. The process must be completed promptly, considering the product's durability and the complexity of the case²⁸³. While the investigation is ongoing, the import of the product in question as an organic or in-conversion product into the EU market must be prohibited. Prior to taking such provisional action, the operator or group of operators responsible for the product must be given an opportunity to present their comments²⁸⁴. If the investigation results do not reveal any non-compliances that compromise the integrity of organic or in-conversion products, the said products can continue to be used and labelled as organic or in-conversion within the EU²⁸⁵.

In the event of non-compliance impacting the integrity of organic or in-conversion products during any stage of production, preparation, or distribution, the control authority or control body must take decisive actions²⁸⁶. The primary objective of the control authority is to identify the origin and extent of the non-compliance and ascertain the operator's or group of operators' responsibilities²⁸⁷. Following this, appropriate measures must be implemented to rectify the non-compliance and prevent future occurrences²⁸⁸. The choice of measures depends on the nature of the non-compliance and the operator's past compliance history. To ensure compliance with Regulation (EU) 2018/848, the control authority or body has the authority to take necessary actions²⁸⁹.

These actions may include applying a catalogue of measures specified in Article 22(3)²⁹⁰, requiring the operator to increase the frequency of their own controls²⁹¹, or subjecting specific activities of the operator to heightened or systematic scrutiny²⁹². Serious, repetitive, or continued non-compliance demands stricter consequences. In such cases, the control authority or control body must prohibit the operator or group of operators from marketing products referring to organic production within the EU for a defined period. Additionally, the operator's certificate, as referred to in Article 45(1)(b)(i) of Regulation (EU) 2018/848, may be suspended or withdrawn accordingly²⁹³.

Control authorities or bodies are tasked with developing a comprehensive catalogue. This catalogue should be based on the elements specified in Annex IV to of Commission Delegated Regulation (EU) 2021/1698 and must include, at a minimum, a list of non-compliances related to the specific rules of Regulation (EU) 2018/848 or its delegated or implementing acts²⁹⁴. The non-compliances are to be classified into three categories: minor, major, and critical, with criteria such as precautionary measures, practical measures, and reliability of operator controls considered. Additionally, the impact of non-compliance on the integrity of organic products, the effectiveness of traceability systems, previous responses of the operator or group of operators, and potential implications on third-country imports must be considered²⁹⁵.

The severity of non-compliance determines the appropriate course of action and the measures needed to rectify the situation. These classifications are crucial for establishing proportional responses and addressing lapses in organic standards effectively. Cases are classified as minor non-compliance when certain conditions are met. Firstly, the precautionary measures implemented by the operator must be deemed proportionate and appropriate. Additionally, the control authority or control body must assess the efficiency of the controls put in place by the operator²⁹⁶. Minor non-compliance also arises when the integrity of the organic or in-conversion product remains unaffected²⁹⁷. Furthermore, the traceability system must successfully identify and locate affected products in the supply chain, allowing prevention of importation from third countries for market placement within the Union²⁹⁸.

Non-compliance is categorized as major when more serious discrepancies occur in organic production. This classification applies when precautionary measures are

considered disproportionate and inadequate by the control authority or control body. Additionally, the controls implemented by the operator are assessed as inefficient²⁹⁹. Moreover, major non-compliance impacts the integrity of the organic or in-conversion product, raising significant concerns about the product's authenticity and adherence to organic standards³⁰⁰. Failure to timely correct minor non-compliances also leads to major classification³⁰¹. Similar to minor non-compliance, the traceability system must effectively identify affected products, enabling their prevention from being imported for market placement within the Union³⁰².

The most severe category, critical non-compliance, denotes a high level of deviation from organic production standards. Critical classification occurs when precautionary measures and operator controls are considered grossly disproportionate and ineffective by the control authority or control body³⁰³. Additionally, the non-compliance severely affects the integrity of the organic or in-conversion product³⁰⁴. A history of failure to correct major non-compliances or recurring non-compliance issues across different categories also contributes to critical classification³⁰⁵. Importantly, critical non-compliance cases lack essential information from the traceability system, making it impossible to locate affected products in the supply chain and prevent importation from third countries for market placement within the Union³⁰⁶.

Furthermore, the catalogue should outline the appropriate measures to be applied for each category of non-compliance, ensuring proportionate actions are taken based on the severity of the violation³⁰⁷. In instances where minor non-compliance is identified, control authorities may choose to impose less severe measures. The operator responsible for the non-compliance is required to submit an action plan within a specified time frame, outlining corrective actions to rectify the identified issues. This measure aims to ensure that any minor deviations from organic production standards are promptly addressed and rectified³⁰⁸.

For more substantial instances of non-compliance, termed major, more stringent measures are necessary. One such measure involves the prohibition of importing products from a third country into the EU for the purpose of marketing them as organic. This restriction serves consequently for the non-compliance and prevents the potentially fraudulent marketing of non-organic products as organic within the EU.

Additionally, control authorities or control bodies may impose a "new conversion period" requirement. This measure entails restarting the conversion process for products or operations that have previously been certified as organic but failed to comply with the standards. The aim is to ensure that the transition to organic production adheres strictly to the established guidelines. Moreover, limitation of the certificate's scope is another measure that can be implemented for major non-compliance cases. This involves restricting the certified operator's scope of organic production, limiting the range of products or operations that can be labelled as organic until compliance is restored³⁰⁹. In situations where major non-compliance is detected, control authorities may also focus on improving the implementation of precautionary measures and controls established by the operator to ensure compliance. By enhancing these measures, the authority aims to prevent future instances of non-compliance and encourage operators to take their responsibilities more seriously.

Critical non-compliance cases call for the most severe measures to safeguard the credibility of the organic sector. Similar to major non-compliance, a prohibition of imports from third countries for marketing as organic within the EU is applicable. Additionally, a "new conversion period" requirement and limitation of the certificate's scope may be imposed in critical cases. In the most serious instances, control authorities or control bodies may suspend the operator's organic certificate. This action signifies a temporary withdrawal of the certification, preventing the operator from marketing any products as organic until the non-compliance issues are fully addressed and rectified. Furthermore, if the severity of the non-compliance warrants it, a complete withdrawal of the operator's organic certificate may be enforced. This measure entails revoking the certification entirely, effectively prohibiting the operator from engaging in organic production until they demonstrate compliance with the standards³¹⁰.

Throughout the entire process, the control authority or body must meticulously document the results of the investigations, adhering to the guidelines specified in Article 29(1) of Regulation (EU) 2018/848³¹¹.

The EU's robust measures to enforce compliance with organic regulations for imports are essential in upholding the credibility and trustworthiness of organic products within its borders. By taking swift and decisive actions against non-compliance, the EU ensures

that consumers can have confidence in the authenticity of organic products they purchase. However, while these measures are commendable, there is also the potential for conflicts of interest to arise. Control authorities or bodies responsible for enforcing the regulations may have ties to the agricultural industry, which could compromise their impartiality in handling cases of non-compliance. This issue demands close attention and the implementation of checks and balances to maintain the integrity of the enforcement process.

6 Benefits and Drawbacks of Importing Organic Products

6.1 Analysis of the economic advantages for importing organic products

6.1.1 *Challenges for European Agriculture in the global market*

In order to investigate the economics of organic agriculture in EU in the global economy, understanding the ability of EU agriculture in general to compete in the global market is critical. Agriculture in Europe has been facing various challenges that contribute to its struggle to stay competitive in a global economy.

European agriculture, renowned for its rich history and commitment to sustainability and labour rights, faces a pressing dilemma – the struggle to remain competitive in the global economy due to high labour costs³¹² and labour-intensive practices³¹³. European agriculture grapples with higher labour costs, attributed to stringent labour laws and regulations. These laws encompass various aspects, including working hours, wages, benefits, and safety standards. While essential for safeguarding worker well-being, these regulations inevitably inflate labour expenses for farmers. Minimum wage policies in many European countries, though commendable for protecting workers, can lead to increased costs associated with hiring agricultural labour. The industry's seasonal nature further amplifies this issue³¹⁴, as the demand for labour surges during planting and harvesting periods, necessitating the hiring and training of temporary workers³¹⁵.

In parallel to high labour costs, the industry's labour-intensive practices compound the issue. Traditional farming methods, deeply rooted in cultural heritage, can be less efficient compared to modern mechanized approaches. The prevalence of small-scale farming in Europe, although a reflection of diverse local economies, can lead to a heavier

reliance on manual labour due to the limited scope of operations³¹⁶. Specialized crops like fruits and vegetables necessitate meticulous attention throughout their lifecycle, increasing labour needs³¹⁷. Additionally, European animal welfare standards, though laudable, contribute to labour-intensive practices such as providing animals with ample space, exercise, and care³¹⁸.

The ramifications of high labour costs and labour-intensive practices extend beyond the borders of farms. On the global stage, European agricultural products struggle to compete with goods from regions where labour costs are lower³¹⁹. This competitive disadvantage becomes pronounced when consumers, increasingly price-sensitive in the prevailing economic climate, seek more affordable alternatives³²⁰. Consequently, trade imbalances can arise, and European farmers may find it challenging to compete with countries offering goods at more competitive prices. Moreover, the reluctance to adopt mechanization and automation technologies hampers innovation and productivity, contributing to a stagnating sector³²¹.

The EU has long been known for its commitment to stringent regulations and standards, particularly in areas concerning food safety, environmental preservation, and animal welfare. While these regulations play a crucial role in safeguarding consumer health and ecological sustainability, they also present challenges for European farmers striving to maintain competitiveness within the global economy. European authorities prioritize consumer safety, resulting in rigorous food safety standards. These standards are vital for maintaining public trust in the food supply chain, yet they impose several challenges on farmers. European farmers must navigate intricate testing and certification procedures, which can be time-consuming and financially burdensome, particularly for smaller-scale operations³²². While ensuring transparency from farm to table is praiseworthy, the extensive traceability requirements necessitate meticulous record-keeping and documentation, further straining resources³²³.

European agricultural policies emphasize environmental sustainability, leading to regulations targeting land use, water management, and pesticide application. Regulations promoting sustainable land management practices encourage long-term soil health and ecosystem preservation. However, transitioning to new practices and technologies can be costly and require adjustments to traditional methods³²⁴. Europe's

efforts to curtail harmful pesticide use are essential for ecological balance. Nonetheless, reduced reliance on certain pesticides can lead to lower crop yields and increased production costs³²⁵. European regulations prioritize the humane treatment of livestock, an admirable objective with direct implications for production methods and costs. Livestock must be given ample space and suitable housing conditions that enable natural behaviour. While this enhances animal welfare, it elevates the costs of raising animals. Regulations governing livestock transportation are designed to minimize stress on animals. These rules can introduce logistical complexities and additional expenses for farmers³²⁶.

Europe's intricate tapestry of landscapes and cultures is defined not only by its historical legacy, but also by its evolving socio-economic dynamics. Amidst this complexity, the interplay of land pressure and urbanization stands as a prominent challenge impacting the agricultural sector³²⁷. In the realm of agriculture, the concept of land pressure encapsulates the escalating demand for land, driven by a myriad of human pursuits like urban development, infrastructure expansion, and industrial growth. Nowhere is this phenomenon more keenly felt than in Europe, where the confluence of limited land area and burgeoning population magnifies its impact. The implications of this pressure are multifaceted and are intricately woven into the fabric of agricultural dynamics³²⁸. As urban areas sprawl and development projects gain traction, the once fertile expanses of agricultural land are transformed into concrete jungles or repurposed for other functions. The outcome is a decline in the total cultivable land, invariably resulting in a diminished agricultural output. Moreover, the scarcity-driven surge in land costs emerges as a vexing challenge for farmers³²⁹. With diminishing land resources, prices soar, burdening agricultural practitioners. This financial strain undermines profit margins and casts a pall over the prospects of newcomers seeking entry into the agricultural realm.

Concomitant with land pressure is the inexorable rise of urbanization, characterized by the migration of populations from rural settings to urban centres, thereby driving urban growth. This transformative phenomenon profoundly impacts European agriculture, casting a shadow that extends far beyond city limits. A pivotal facet is the competition for land resources. Urbanization voraciously consumes arable lands, reshaping them

into domains of residential, commercial, and industrial zones. The shrinkage of cultivable land directly undermines agricultural potential, heralding the potential for food security concerns³³⁰. The ramifications extend to the realm of expertise. As rural areas depopulate and agriculture wanes in the collective consciousness, traditional farming knowledge ebbs away³³¹. This poses a dual challenge: the sustainability of age-old practices and the attraction of new talent to a sector grappling with dwindling interest. Urbanization also wields influence over consumer preferences. The shift towards urban lifestyles can reshape demand patterns, influencing choices towards convenient processed foods, which can potentially steer agricultural production towards non-traditional areas³³².

The social fabric weaves its own complexity, as rural-urban dynamics evolve. Disputes surface, stemming from competing interests and concerns. The preservation of farming heritage and traditions rubs against urban aspirations, inciting conversations around equitable resource allocation and harmonizing diverse perspectives. While urbanization ushers in infrastructural progress, it simultaneously disrupts agrarian landscapes. The development of urban amenities can fragment agricultural lands, impeding the seamless operation of traditional farming systems. A silver lining lies in the improved market access that urbanization can provide. Proximity to consumers can potentially enhance the competitiveness of agricultural produce. Yet, the inverse holds true for transportation costs³³³, which can surge alongside urban expansion, further tilting the balance.

Limited technological adoption in European agriculture is characterized by the slower uptake of advanced agricultural technologies compared to other regions. This reluctance to embrace technology stems from a blend of cultural, economic, and structural factors that have hindered the integration of innovative practices. Despite the considerable advantages these technologies offer, several obstacles have contributed to their delayed adoption in European farming.

Precision agriculture is a case in point, showcasing the potential of technology while encountering hurdles in implementation. This approach employs GPS, sensors, and data analytics to optimize various farming processes. While some parts of Europe have embraced precision agriculture, challenges like initial high costs, data privacy concerns,

and the need for specialized training have slowed its universal adoption³³⁴. Variable rate application of inputs based on data insights can enhance efficiency, but the investment needed for equipment and training deters many farmers.

Automation and robotics also face hurdles in European agriculture. While these technologies can reduce manual labour dependency, upfront costs and adaptation complexities have impeded their integration³³⁵. Robotic milking systems in dairy farming highlight both the potential and investment requirements of automation. Digital farming platforms offer real-time data for informed decisions, but data security, rural accessibility, and technological learning curves have hindered their adoption³³⁶. Smart irrigation systems, vital for water management, encounter adoption challenges due to installation and maintenance costs³³⁷. Innovations like vertical farming promise higher yields but require significant capital investments³³⁸. Similarly, blockchain can enhance supply chain transparency, yet its complexity and interoperability concerns limit its adoption³³⁹. To tackle limited technological adoption, collaboration between governments, research institutions, and agriculture organizations is vital.

The slower integration of advanced technologies into European agriculture stems from a blend of factors influencing farmers' attitudes. Traditional practices deeply embedded in European farming history contribute to reluctance to adopt modern technologies, driven by attachment to heritage. Lack of awareness about technology benefits and high upfront costs hinder the transition to innovative methods. Capital constraints and limited access to financing pose challenges, particularly for small-scale operations. Risk aversion towards unfamiliar technologies and the complexity of integrating them into existing systems also slow adoption. Digital literacy gaps, regulatory barriers, and fragmented industry landscapes further complicate the adoption process. Farmers' uncertainty about technology's tangible benefits, coupled with a lack of incentives, discourages investment.

Competition from global markets poses a significant challenge for European agriculture, as farmers in the region find themselves pitted against products from countries with lower production costs, less stringent regulations, and often more favorable climatic conditions. This competitive pressure has a range of impacts on the European agricultural sector that go beyond mere price competitiveness. One of the most direct

impacts is the pressure on prices³⁴⁰. Agricultural products from countries with lower production costs can flood international markets at lower price points. This forces European farmers to either reduce their own prices, thereby impacting their profitability, or find innovative ways to distinguish their products based on factors such as quality, sustainability, or unique production methods³⁴¹.

Trade agreements and tariffs are pivotal factors shaping the competitiveness of European agriculture in the global economy. These mechanisms not only dictate market access but also influence the level playing field for European farmers. However, the outcomes can be mixed, sometimes posing challenges rather than opportunities. One notable example is the EU-Canada Comprehensive Economic and Trade Agreement (CETA). Intending to minimize trade barriers between the EU and Canada, CETA offers European agricultural products an expanded market in Canada. Nonetheless, it introduces European farmers to heightened competition from Canadian counterparts, potentially benefiting from disparate production costs and regulatory frameworks³⁴². Another illustration is the EU-Mercosur Trade Agreement, a proposed pact aimed at establishing a free trade area between the EU and Mercosur countries in South America. Although an Agreement in Principle was reached in 2019 on the trade pillar, it has not undergone the formal adoption procedure and has remained suspended since then. Nevertheless, the proposal has elicited apprehension among European farmers³⁴³. Concerns centre on potential imbalances that could arise from the importation of Mercosur products, such as beef and poultry, which might adhere to divergent production standards, potentially undercutting European competitiveness.

The post-Brexit trade landscape of the United Kingdom (UK) also underscores the sway of trade agreements. The UK's negotiations for new trade deals hold implications for EU agriculture. Should the UK permit imports with lower standards or costs, European farmers could face heightened competition, challenging their global market presence³⁴⁴.

The Common Agricultural Policy (CAP) serves as the central framework for agricultural subsidies and support within the EU. Its objectives encompass ensuring stable and affordable food supplies for consumers, offering income support to farmers, and promoting sustainable agricultural practices. Despite these goals, the CAP has been a subject of scrutiny due to concerns about its alignment with modern agricultural needs,

its impact on global trade dynamics, and its effectiveness in addressing broader societal and environmental objectives.

The CAP has been the subject of numerous critiques, each shedding light on its impact on European agriculture, the global economy, and broader societal goals. Historical interventions like price support mechanisms and export subsidies have artificially inflated prices for certain commodities, distorting global trade dynamics³⁴⁵. This makes European agricultural products less competitive in international markets. The direct payment system, a significant component of the CAP, has drawn criticism for potentially stifling efficiency and innovation³⁴⁶. These payments are often detached from actual production, providing support regardless of technological advancements or modern practices³⁴⁷³⁴⁸. As a result, farmers might lack incentives to adopt cutting-edge technologies. For instance, some European farmers might continue using traditional plowing methods instead of adopting more efficient no-till practices due to the lack of direct incentives for innovation.

While the CAP aims to address income disparities among farmers across EU member states, the complex allocation mechanisms and historical biases might result in unequal support distribution³⁴⁹. Smaller and less developed regions could find it challenging to compete with larger and more developed regions in terms of accessing CAP subsidies. Uneven distribution of subsidies has created a scenario where larger, more industrialized farms receive a disproportionate share of support³⁵⁰. This disparity in subsidy allocation leads to unfair competition dynamics, disadvantaging smaller family-owned farms. This can hinder the growth of sustainable and diversified agricultural operations.

Some taxpayers question the rationale behind significant subsidies to specific agricultural practices, particularly when they do not align with broader societal goals or public sentiment³⁵¹. This lack of alignment can erode public support for the CAP. Subsidies supporting unsustainable monoculture farming might face criticism from environmentally conscious citizens. The substantial budget dedicated to agricultural subsidies might be allocated more effectively in other sectors with higher economic and social returns³⁵².

In the face of various challenges that have tested the resilience of European agriculture's global competitiveness, a concerted effort by key stakeholders is underway to steer the sector toward a more balanced and sustainable future. European governments, farmers, and industry associations are collectively charting a course that acknowledges the complexities of the agricultural landscape. This journey entails embracing innovation as a catalyst for growth, channelling resources into research and development to foster cutting-edge practices, and updating infrastructure to meet the demands of a dynamic marketplace. Crucially, these efforts are being harmonized with the evolving preferences of consumers, who now demand more than just food - they seek products that align with their values of health, environmental responsibility, and ethical practices. Adapting to these changing consumer expectations not only preserves the integrity of agricultural endeavours but also provides an avenue to differentiate European produce on the global stage.

Amid these endeavours, the role of organic agriculture emerges as particularly significant. Organic practices, inherently aligned with sustainability and environmental stewardship, exemplify the kind of innovation that can reshape European agriculture. By reducing reliance on synthetic inputs and embracing natural cycles, organic farming addresses environmental concerns while catering to discerning consumers who prioritize wholesome, ethically produced goods. Achieving this balance between high standards of production and sustainability while ensuring competitiveness requires not only individual action but also collective commitment. Collaboration among stakeholders, from individual farmers to governments and industry associations, is key to realizing the shared vision of a European agricultural sector that thrives in the global arena. As Europe navigates the intricate web of challenges and opportunities, the convergence of innovation, consumer values, and sustainable practices stands as a compass pointing the way toward a future where agriculture not only survives but thrives on the global stage.

6.1.2 Examination of the market demand and economic benefits of importing organic products from non-EU countries

In recent years, the global organic food products market has undergone a period of rapid expansion, driven by a surge in consumer demand for healthier and more environmentally sustainable options. At the forefront of this movement are North

America and Europe, with the consumption market led by North America, closely followed by Europe³⁵³. However, an intriguing disparity has emerged within the EU – while consumer demand for organic products is soaring, the cultivation of organic goods within the EU is failing to keep pace³⁵⁴, resulting in a reliance on imports to fulfil the market's burgeoning needs³⁵⁵.

Consumer trends are an important factor when considering the import of goods. The predominant venues for consumer acquisition of organic products were identified as supermarkets and specialty stores³⁵⁶. Supermarkets were lauded for their competitive pricing and convenient accessibility, while specialty stores were recognized for offering a broader array of choices and superior customer service³⁵⁷. Supply chains for organic products entail a series of interconnected stages, including production, processing, distribution, and retailing. The consumer preference for purchasing organic products through supermarkets and specialty stores implies that these two types of retail outlets play a pivotal role in the distribution of such goods within the EU market. Therefore, when contemplating the import of organic products into the EU, understanding the distribution channels and the relative market share of these outlets becomes crucial. Pricing dynamics also come into play. The consumer perception that supermarkets offer the best prices for organic products suggests that there is a sensitivity to pricing among consumers. When importing organic goods, it becomes important to ensure that the pricing remains competitive within the EU market. This involves considering the costs associated with international trade, such as tariffs, transportation, customs duties, and currency exchange rates. Balancing these costs with consumer price expectations becomes vital for importers to remain competitive and profitable. Companies employ various strategies to ensure this.

Diversification of supply is a key strategy for enhancing resilience, stability, and sustainability in the organic market. Importing organic products from non-EU countries offers a strategic approach to managing risks associated with supply chain disruptions, price volatility, and seasonal variability³⁵⁸. By embracing a diverse range of sources, importing countries can fortify their organic market against shocks and uncertainties while promoting innovation, competition, and the equitable growth of global organic trade. The concept of diversification of supply is a cornerstone of modern economic

theory, emphasizing the importance of reducing dependency on a single source or region for goods and services³⁵⁹. One of the primary advantages of diversification of supply is its ability to mitigate the impact of supply chain disruptions. The organic market, like any other, is susceptible to various challenges such as extreme weather events, pests, diseases, or geopolitical tensions. By importing organic products from a variety of non-EU sources, countries can buffer themselves against these risks. When a localized disruption occurs, alternative supply sources can step in to prevent shortages and keep the market functioning smoothly. Price volatility is a common concern in agricultural markets, impacting both consumers and producers. Diversification of supply helps stabilize prices by reducing the impact of localized supply and demand imbalances³⁶⁰. When multiple sources contribute to the market, sudden price spikes due to shortages are less likely, promoting affordability and predictability for consumers.

Importing organic products from non-EU countries introduces healthy competition to the market. Competition among suppliers incentivizes efficiency and quality improvements, ultimately benefiting consumers through better product offerings and pricing. Additionally, the presence of diverse suppliers can discourage monopolistic practices, creating a more competitive and dynamic marketplace³⁶¹. Different regions often employ distinct agricultural practices, technologies, and approaches to organic farming. Diversification of supply facilitates the exchange of knowledge and innovation between importing and exporting countries³⁶². This cross-pollination of ideas can lead to the adoption of novel techniques, improved sustainability practices, and increased resilience in the face of evolving challenges.

Cost competitiveness stands out as a pivotal economic benefit when considering the importation of organic products from non-EU countries. This aspect revolves around the ability of these countries to produce organic goods at lower costs compared to their EU counterparts, making organic products more accessible and affordable to a wider range of consumers³⁶³. Several key factors contribute to the cost competitiveness of organic products from non-EU countries. Many non-EU countries possess natural advantages such as abundant land, suitable climates, and diverse ecosystems that are conducive to organic farming. These conditions can lead to higher yields, reduced production risks, and lower expenses associated with maintaining soil fertility and managing pests

naturally. As a result, the cost of producing organic crops and livestock may be considerably lower in these regions. Labor costs tend to be lower in many non-EU countries, which can significantly impact the overall cost of production. Reduced labor expenses translate into more competitive pricing for organic products, making them more appealing to cost-conscious consumers.

In certain non-EU countries, organic production systems may benefit from economies of scale due to larger land areas, access to advanced agricultural technologies, and efficient supply chains³⁶⁴. These economies of scale can lead to a reduction in per-unit production costs, making organic products more price-competitive in international markets. Fluctuations in currency exchange rates can impact the relative cost of organic products from non-EU countries. A favorable exchange rate can enhance cost competitiveness, making imported organic goods more attractive to consumers in the EU³⁶⁵.

The cost competitiveness of organic products from non-EU countries directly benefits consumers by offering them access to a wider range of affordable organic options. As organic products become more competitively priced, a larger demographic of consumers can participate in the organic market, thereby driving increased demand and overall market growth³⁶⁶. Furthermore, cost competitiveness can encourage EU-based organic producers to enhance their own efficiency and productivity. Competition from non-EU imports can act as a catalyst for innovation and improved resource management within the EU's organic sector, contributing to a more dynamic and responsive market environment.

While cost competitiveness is a significant advantage, it's important to strike a balance between importing organic products and supporting local or regional organic producers³⁶⁷. Encouraging a diverse supply chain that includes both local and imported organic goods can lead to a resilient and sustainable organic market that benefits both producers and consumers³⁶⁸. Policymakers may need to carefully navigate trade-offs to ensure a fair and equitable organic market that promotes economic growth while upholding social and environmental standards.

The decision to import organic products from non-EU countries goes beyond meeting consumer demands; it paves the way for a multitude of trade and investment

opportunities³⁶⁹. These opportunities contribute to economic growth, job creation, cross-border collaboration, knowledge exchange, and enhanced diplomatic relations. Importing organic products from non-EU countries not only benefits importing nations, but also supports the development and prosperity of exporting countries, fostering a more interconnected and sustainable global economy³⁷⁰. Importing organic products from non-EU countries introduces new and diverse goods to local markets; thus, stimulating economic growth by increasing consumer choice and creating competition³⁷¹. This influx of products can attract new customers, both within the importing country and potentially in neighbouring markets, driving overall market expansion. Importing organic products entails establishing trade relationships with non-EU countries³⁷². This process often involves negotiations, agreements, and collaborations that foster cross-border investment. Businesses invest in infrastructure, technology, and distribution networks to facilitate the efficient movement of goods³⁷³. These investments can result in long-term economic benefits and improved trade relationships. By importing organic products from non-EU countries, importing nations provide a platform for producers in those countries to access new markets. This, in turn, stimulates their economies, encourages local entrepreneurship, and empowers small-scale farmers and producers. The increased demand from international markets can lead to sustainable livelihoods and improved economic conditions in exporting nations.

The collaboration between non-EU organic producers and importing countries can facilitate the exchange of best practices, innovative technologies, and expertise in organic farming and sustainable agriculture. This exchange goes beyond mere trade transactions; it involves the transfer of innovative practices, sustainable farming techniques, and expertise in organic agriculture. Such collaboration contributes to the advancement of global agricultural sustainability and promotes mutually beneficial relationships. Non-EU countries often possess unique and traditional agricultural practices that have been cultivated over generations. Importing organic products from these regions allows for the exchange of indigenous knowledge that can enrich and diversify sustainable farming techniques. This knowledge might include effective crop rotation methods, pest management strategies, and soil enrichment practices that have been refined over time to suit local ecosystems. Integrating these practices into local

agricultural systems can lead to increased resilience, reduced reliance on synthetic inputs, and improved overall soil and crop health. Many non-EU countries have embraced cutting-edge technologies tailored to the unique needs of organic farming, such as innovative methods for managing water scarcity, adapting to climate variability, and working within resource constraints while adhering to organic principles. Importing organic products not only facilitates trade but also provides an opportunity to learn about technologies specifically developed for organic systems. These include precision agriculture approaches that enhance soil health, remote sensing tools designed for non-chemical pest and disease management, and data-driven decision-making tools that align with organic certification requirements. By adopting these advancements, organic producers can increase productivity while maintaining compliance with organic standards and minimizing environmental impacts.

The importation of organic products from non-EU countries enriches consumer choice, infuses dynamism into the organic market, and fosters a culture of exploration and innovation. As consumers seek out diverse and unique products that resonate with their values and preferences, the expansion of market horizons through imports paves the way for a more vibrant and inclusive organic sector. Expanding consumer choice and market access are pivotal components of a thriving organic trade ecosystem, leading to multiple benefits for both consumers and businesses. Importation introduces a wider array of goods into the market, offering consumers an extensive range of options to choose from. This diversity includes not only a broader selection of organic fruits, vegetables, grains, and dairy products, but also specialty items unique to various regions. For instance, exotic tropical fruits from countries like Costa Rica or organic spices from India become more accessible to consumers, enriching their culinary experiences. Consumer preferences are becoming increasingly specialized, with demands for gluten-free, vegan, non-GMO, and other specific dietary requirements. Importing organic products from non-EU countries helps cater to these unique needs, enabling consumers with dietary restrictions or lifestyle choices to access a wider variety of suitable products.

Importing organic products from different regions introduces consumers to new flavors, cuisines, and food traditions. This encourages cultural exploration and supports global

culinary diversity, enriching the gastronomic landscape and creating opportunities for culinary innovation and fusion. The influx of diverse organic products prompts innovation within the market³⁷⁴. Importing unique or specialized items can inspire entrepreneurs to create complementary products or services, further expanding the organic market ecosystem. This innovation not only stimulates business growth, but also fuels job creation and economic development³⁷⁵.

The availability of imported organic products can attract previously untapped consumer segments. Individuals who were previously hesitant to engage with the organic sector due to limited product options may now find products that align with their preferences, leading to an expanded customer base. The importation of organic products can also catalyse local production and collaboration. As consumers become more acquainted with imported organic goods, they may develop a stronger interest in supporting domestic organic producers, encouraging local agricultural initiatives to meet the evolving demand³⁷⁶.

In conclusion, the market demand for organic products is being driven by consumer preferences for healthier, environmentally-friendly, and ethically-produced goods. Importing organic products from non-EU countries offers substantial economic benefits, ranging from supply diversification and cost competitiveness to trade expansion and knowledge exchange. This trend not only contributes to economic growth, but also aligns with global sustainability objectives. As consumer awareness and demand continue to grow, the importation of organic products from non-EU countries is poised to play an increasingly pivotal role in shaping the future of the organic market.

6.2 Discussion of potential risks and drawbacks associated with imports

6.2.1 Identification and assessment of potential risks of importing organic products
significant, it is imperative to conduct a thorough identification and assessment of potential risks that may arise from importing organic products. These risks span across various dimensions, including health, environmental impact, regulatory compliance, trade dynamics, and local economic consequences.

One of the chief concerns when importing organic products is ensuring that they comply with the health and safety standards outlined in Regulation (EU) 2018/848 and its accompanying implementing acts, which define requirements such as the absence of

prohibited substances, adherence to organic farming practices, and compliance with EU food safety laws. Verifying the authenticity of organic claims made by foreign producers poses a unique health risk³⁷⁷.

Without rigorous verification measures, consumers may unknowingly purchase products that do not meet organic standards, undermining their expectations for healthful and environmentally conscious choices. Imported organic products must adhere to strict regulations to prevent the introduction of contaminants, allergens, or pathogens that could pose risks to consumer health. Inadequate quality control or mislabelling could lead to instances of foodborne illnesses or allergic reactions, eroding consumer trust and tarnishing the reputation of organic imports. While the allure of organic products lies in their perceived health benefits and environmentally friendly production methods, it is crucial to recognize and address the potential health risks that may arise from importing such products³⁷⁸. A comprehensive understanding of these health risks is imperative to ensure the well-being of consumers and the integrity of the organic supply chain.

The risk of contamination, both during production and transportation, is a significant concern when importing organic products. Organic farming practices emphasize the minimal use of synthetic chemicals and pesticides. However, there is a possibility that organic crops could become contaminated with non-organic substances, such as pesticides or fertilizers, during processing or handling. Additionally, cross-contamination can occur when organic and conventional products are transported or processed in proximity, potentially undermining the organic integrity of imported goods. Allergic reactions to specific ingredients or allergens are a significant health concern for consumers.

Within the EU, Germany maintains its leading role in combating food fraud, displaying the highest frequency of appeals for the examination of suspected cases. Sequentially, the European Commission, France, and Belgium follow suit, whereas remaining member states lag. When scrutinizing the annual progression of appeal submissions within the EU during the timeframe of 2016 to 2019, a noteworthy trend surfaces in the fruit and vegetable category. Evidently, the count of appeals surged by more than fivefold over

this duration. Specialists ascribe this notable escalation to heightened deceitful activities within the organic segment³⁷⁹.

To effectively mitigate the health risks associated with importing organic products, a multi-faceted approach is necessary. Collaborative efforts among importing and exporting countries to harmonize organic standards and regulations can establish a consistent framework for production, certification, and labelling. Rigorous inspection and testing protocols at various points along the supply chain are essential to detect and prevent contamination, adulteration, or mislabelling. Provided the authorities performing these tests and checks are completely biased. Implementing traceability systems that track the origin, processing, and transportation of organic products enhances transparency and facilitates swift action in case of health-related issues, such as the TRACES system. Providing technical assistance and capacity-building programs to exporting countries can help them enhance their organic certification and food safety practices. Educating consumers about the potential health risks and the importance of reading labels and verifying certifications empowers them to make informed choices.

The environmental impact of importing organic products should not be underestimated. Organic products are often sourced from countries with varying climates and growing seasons, necessitating extensive transportation networks to reach consumer markets. The emissions from shipping, airfreight, and road transport can offset the benefits of organic farming practices, leading to a paradox where the ecological gains of reduced chemical use are negated by increased emissions³⁸⁰. It is essential to consider the emissions generated during transportation and the potential degradation of natural resources due to increased demand for imports³⁸¹. Sustainable transportation methods and carbon offset measures should be explored to mitigate these impacts. The environmental impact of such imports is a critical aspect that requires thorough consideration to ensure that the overall sustainability goals of the organic movement are not compromised.

Mitigation strategies are essential to address this challenge. Implementing sustainable transportation methods, such as optimizing shipping routes, using energy-efficient vehicles, and promoting rail and sea transport, can significantly reduce carbon emissions. Additionally, exploring the concept of "food miles" - the distance food travels

from farm to table - can raise consumer awareness and encourage demand for locally produced organic goods.

The importation of organic products may inadvertently contribute to resource consumption and biodiversity loss in exporting countries. Increased demand for certain organic crops can lead to expansion of agricultural land, potentially encroaching upon ecologically sensitive areas such as rainforests or wetlands³⁸². This expansion can lead to deforestation, habitat destruction, and loss of biodiversity, undermining the very principles that organic farming seeks to uphold³⁸³. It is crucial to prioritize sourcing from regions where agricultural expansion does not come at the expense of natural habitats. Certification and labelling mechanisms that promote sustainable land use practices, such as agroforestry and crop rotation, can guide consumers toward products that align with conservation efforts.

Importing organic products from non-EU countries also raises concerns about soil and water management practices. Sustainable organic farming relies on maintaining healthy soil ecosystems, minimizing soil erosion, and conserving water resources. In some exporting countries, these practices may not be enforced or may differ from established standards in the EU³⁸⁴. Collaboration between importing and exporting countries can promote knowledge exchange and technology transfer, allowing best practices in soil and water management to be shared. Support for capacity building and training programs in exporting countries can elevate their organic farming practices, ensuring that imported products meet the same high standards as domestically produced goods.

While importing organic products from non-EU countries can provide consumers with a diverse array of sustainable and healthy choices, the environmental impact of such imports must be addressed comprehensively. It is imperative to strike a balance between the economic benefits of global organic trade and the imperative to minimize carbon emissions, protect biodiversity, and promote responsible land and water management. Through a combination of sustainable transportation, conscientious sourcing, and international cooperation, stakeholders can ensure that the environmental footprint of imported organic products is minimized, contributing to a more ecologically sound and ethically aligned global organic market.

Navigating the complex web of international regulations and standards for organic products is another critical challenge. Imported organic products must meet the organic certification requirements of both the exporting and importing countries. Failure to comply with these standards could result in product rejection, trade disputes, or legal actions, disrupting the supply chain and causing financial losses for both importers and exporters. In the context of importing organic products from non-EU countries, regulatory compliance stands as a cornerstone in ensuring the integrity, safety, and authenticity of the organic supply chain.

Regulatory compliance in the organic trade hinges on adherence to internationally recognized organic standards and certifications, such as the EU standards. When importing organic products, it is imperative to ensure that the exporting country's organic certification system aligns with the EU's standards. Equivalency agreements, where two countries recognize each other's organic certifications as equivalent, streamline the import process and foster trust between trading partners. However, these agreements necessitate rigorous assessment to verify that the exporting country's organic regulations mirror the importing country's requirements in terms of production methods, labelling, and transparency.

While equivalency agreements aim to harmonize organic standards, challenges persist in ensuring regulatory compliance across diverse contexts. Differences in climate, agricultural practices, and regulatory frameworks may lead to variations in organic production methods. As such, it becomes crucial to establish robust verification mechanisms, including on-site inspections, documentation audits, and traceability systems, to verify that imported organic products meet the designated standards. Ensuring compliance goes beyond the initial certification process. Regular inspections and ongoing oversight are essential to confirm that certified organic producers continue to uphold organic principles throughout their operations. This involves monitoring factors such as crop rotations, soil health, pest management, and the use of prohibited substances.

To effectively mitigate the risks associated with regulatory non-compliance, importers of organic products must adopt a comprehensive approach. Careful vetting of suppliers is crucial. Importers should partner with reputable producers who have a track record

of adhering to organic standards and have been certified by recognized organic certification bodies.

Engaging third-party certification bodies to conduct audits and inspections of exporting farms' compliance with organic regulations can present practical challenges. These challenges often arise from logistical difficulties, high costs for smallholder farmers, and varying interpretations of compliance requirements across jurisdictions. However, such certification is essential to ensure adherence to international standards, which guarantees the impartiality and consistency of organic certification processes. The certification of organic products demands strict adherence to established criteria, as outlined by the ISO 17065. Notably, certifying bodies are restricted from offering consulting services or advice pertaining to production regulations. Furthermore, the confidentiality clause prevents the divulgence of inspected producers' information and methodologies. Consequently, any non-compliance issues are shielded from public exposure, giving rise to certain consequences in the organic sector. The certification process contributes to the concentration of power within the globalized agri-food systems. The certification process contributes to the concentration of power within the globalized agri-food systems. In this context, decision-making refers to setting and enforcing organic standards, as well as granting certification. These critical processes are predominantly controlled by a select few stakeholders, such as certifying bodies, while key participants like producers and consumers have limited influence³⁸⁵. This pattern aligns with characteristics typical of such systems, where power dynamics can skew against balanced representation. Organic certification places substantial financial burdens on farmers, necessitating significant investments or outsourced efforts. Consequently, the once-initiated endeavour of distinguishing oneself in the agricultural market transforms into a convoluted procedure involving numerous layers, including laws, standards, inspections, and commercial interests³⁸⁶. This shift has led to heightened production costs that disproportionately affect small- and medium-scale farmers, along with consumers. The certification framework inadvertently favours farm specialization, as it is simpler to certify monocultures rather than diversified crops³⁸⁷. Moreover, the certification approach operates on a pass-or-fail basis, with fixed criteria, which can discourage continuous improvement in sustainable practices³⁸⁸. This

contradicts the principles of agroecological transition and inhibits the promotion of broader ecological sustainability.

A significant drawback of the certification system is its emphasis on certifying compliance with specific organic production processes rather than holistically promoting broader sustainable practices across all aspects of a farming operation³⁸⁹. This approach perpetuates organic production as a niche market rather than fostering a comprehensive commitment to sustainability and holistic agricultural approaches. Third-party certification mechanisms discourage continuous improvement in terms of sustainable practices and agroecological transitions³⁹⁰. By structuring the process as a binary exam, the system fails to promote ongoing enhancements once the certification threshold is met, hindering overall sustainability³⁹¹. Nevertheless, despite its limitations, third-party certification stands as the sole form of assurance system acknowledged by the EU.

Digital solutions, blockchain technology, and data management platforms can facilitate real-time traceability, minimizing the risk of fraudulent practices. Importers, exporters, and regulatory authorities should engage in ongoing education and capacity-building initiatives to stay updated on evolving organic regulations and best practices. This knowledge exchange helps enhance understanding and collaboration across international borders. Effective communication between exporting and importing countries is essential to address any regulatory discrepancies, resolve issues promptly, and maintain the integrity of the organic supply chain.

There currently exists a gap in the available economic information about the true levels of organic imports into the EU. Regulation (EU) 2018/848 contains Articles that oblige exporters and importers to report all transactions in their totality. However, until the 2018 regulations come into full effect for producers outside of the EU in 2024, such information will be incomplete. As such it is important here to state an overreliance on imports can lead to trade imbalances and create a dependency on specific exporting countries. Sudden disruptions in supply, geopolitical conflicts, or changes in trade policies could significantly affect the availability and pricing of organic products. Diversifying sources and establishing resilient supply chains is essential to mitigate these risks. The process of importing organic products from non-EU countries brings forth a

range of economic, geopolitical, and strategic considerations, one of the most pertinent being the potential for trade imbalances and dependency. While the allure of accessing diverse, cost-effective, and sustainably produced organic goods is undeniable, the importation of these products can inadvertently lead to a delicate trade dynamic that warrants careful assessment and management.

Such imbalances can have multifaceted consequences that extend beyond the organic sector, impacting both the importing and exporting countries' economies. On the side of the importing country, an excessive reliance on organic imports can lead to a trade deficit, where the value of imported organic products outweighs the revenue generated from domestic exports. This deficit can strain local organic producers, as increased competition from lower-cost imports may hamper their ability to compete in the market. This, in turn, could lead to reduced domestic production, loss of jobs, and a decline in agricultural self-sufficiency.

To address the risks of trade imbalances and dependency associated with importing organic products, a multi-pronged approach is advisable. Actively seeking organic product sources from a variety of non-EU countries can help mitigate the concentration of imports from a single origin. This strategy reduces vulnerability to disruptions in any one country and promotes a more balanced trade portfolio. Encouraging domestic organic production through supportive policies and incentives can foster a resilient and self-sustaining organic sector. A robust domestic production base provides a buffer against excessive dependency on imports. Engaging in strategic trade agreements and partnerships with exporting countries can help ensure stable and reliable supply chains. Collaboration in research and development, technology sharing, and capacity building can strengthen the relationships between importing and exporting nations. Developing contingency plans and risk management strategies in collaboration with key trading partners can help mitigate the impact of unforeseen disruptions, safeguarding the availability of organic products.

Importing organic products may have unintended consequences for local economies, particularly for domestic organic producers. Increased competition from cheaper imported goods could negatively impact local farmers and undermine efforts to promote sustainable agriculture at the national level³⁹². Balancing the benefits of

imports with the need to support local producers is a delicate task. The influx of imported organic products, often at lower prices due to differing production costs and currency exchange rates, can lead to intensified competition for local organic producers. Small-scale farmers who have invested time, effort, and resources into transitioning to organic practices might find it challenging to compete with the economies of scale that larger foreign producers can achieve. This could undermine the economic viability of local organic farms and potentially force some out of business. When consumers opt for imported goods, the revenue that would have otherwise circulated within the local economy gets diverted to foreign producers, distributors, and retailers. This can result in reduced income opportunities for local farmers, decreased demand for support services (such as processing and packaging), and overall diminished economic activity within the community. Importing organic products on a large scale might inadvertently undermine these efforts, as the emphasis on local, seasonal, and environmentally friendly production gets overshadowed by imported goods with uncertain sourcing practices. This could hinder progress toward achieving local and national sustainability goals.

Overreliance on imported organic products may reduce the diversity of agricultural products grown locally under specific circumstances. For example, when domestic farmers face significant competition from cheaper or more accessible imports, they may shift their focus to a smaller range of higher-margin crops or leave the market altogether. This economic pressure can result in a narrower range of locally grown organic crops and varieties, limiting options for consumers and reducing culinary and nutritional diversity. Furthermore, local food systems, which rely on a diverse array of crops for ecological balance and resilience to environmental changes, could become more vulnerable.

Beyond economic impacts, cultural and social traditions tied to local agricultural practices may also be at risk. These traditions often involve the cultivation of heritage varieties or region-specific crops that hold cultural significance. Increased dependency on imports could marginalize these practices, leading to the erosion of traditional knowledge and a diminished sense of identity for rural communities. In this way, the

balance between importing and supporting local organic agriculture becomes critical for sustaining both biodiversity and cultural heritage.

To mitigate these potential local economic consequences, a balanced approach is essential. Policymakers, consumers, and stakeholders should consider strategies that support both domestic organic producers and the importation of organic products. Providing support and incentives for local organic producers to enhance their competitiveness and access to markets. Promoting consumer education about the benefits of supporting local farmers and the environmental and social implications of importing organic products.

The social and labour practices of exporting countries must also be considered. The global trade of organic products has brought forth not only economic opportunities, but also a critical need to address socioeconomic and labour issues that arise from importing these goods from non-EU countries. As the demand for organic products continues to rise, it is imperative to delve deeper into the potential challenges related to social welfare, labour practices, and ethical considerations in the global organic supply chain.

Organic products from non-EU countries can expose consumers to concerns regarding labour standards and working conditions. The allure of lower production costs in some exporting nations might lead to exploitative labour practices. The globalization of supply chains has shed light on the prevalence of child labour and forced labour in certain industries, including agriculture³⁹³. Importing organic products without due diligence can inadvertently contribute to these unethical practices. Robust supply chain transparency, rigorous auditing, and certification processes are essential to detect and prevent instances of child labour and forced labour. Importers should prioritize partnerships with producers who uphold ethical labour practices and promote social responsibility.

Promoting social equity within the organic supply chain goes beyond addressing labour issues. It encompasses fair trade principles that ensure producers receive a fair price for their goods and have access to markets under equitable terms³⁹⁴. Importing countries can encourage fair trade practices by supporting certification programs and initiatives that prioritize equitable distribution of benefits along the entire supply chain. The influx

of imported organic products can impact local communities and livelihoods in exporting countries. In some cases, increased demand for exports might lead to a shift away from traditional crops or practices, potentially disrupting local economies³⁹⁵. Importing countries should engage in fair trade practices that support the economic stability and cultural heritage of the communities involved. Efforts to empower local farmers and provide them with equitable opportunities can help foster sustainable development in exporting regions. Ensuring that women are not disproportionately affected by labour-intensive agricultural practices and have access to training, resources, and decision-making opportunities is essential³⁹⁶. Integrating gender-sensitive approaches into supply chain management can contribute to social equity and economic progress.

To ensure a responsible and sustainable global organic trade, importing countries must take a proactive approach in addressing labour standards, working conditions, child labour, forced labour, community well-being, gender equality, fair trade, knowledge transfer, and ethical sourcing. By fostering partnerships, implementing rigorous certification processes, and promoting consumer awareness, stakeholders can contribute to a more equitable and ethical organic supply chain that respects the rights and well-being of all individuals involved, from farm to table.

While the importation of organic products from non-EU countries offers substantial economic benefits and market opportunities, it is essential to undertake a comprehensive identification and assessment of potential risks. These risks encompass health and safety, environmental impact, regulatory compliance, trade dynamics, local economies, fraud, and labour issues. By proactively addressing these risks through stringent quality control, adherence to international standards, sustainable transportation practices, and ethical sourcing, stakeholders can create a more resilient and responsible global organic trade ecosystem. Effective risk management strategies are essential to ensure that the benefits of importing organic products are realized without compromising consumer health, environmental sustainability, or social welfare.

7 Future Trends in Importing Organic Products

7.1 Examination of current trends and market dynamics

7.1.1 *Analysis of the current import trends of organic products from non-EU countries and an evaluation of the market growth, consumer preferences, and emerging markets*

Organic agriculture has gained significant traction worldwide due to its emphasis on sustainable practices, environmental protection, and improved food quality. This section delves into the recent economic trends of organic products in the EU. The import statistics for 2018-2022 used in this section are provided by the TRACE³⁹⁷¹ system. The data for European production of organic products for the period of 2018-2021 is provided by EUROSTATS³⁹⁸. It must be stated that the EUROSTATS organic production data is incomplete and can not be used for a full assessment of organic production. As such any data quoted from this data set is at best questionable and should not be accepted as concrete evidence; however, it is the only official source for organic production data in the EU. A report compiled by the European Commission³⁹⁹ highlights import volumes and changes in organic agri-food, fruit and vegetables, arable crops, permanent crops, and animal products between 2021 and 2022.

It is imperative at this point to expand on the basic economic indicators involved in the organic industry. According to EUROSTATS (Table 6):

Table 6: Market trends in organic imports between 2018 and 2021 in The EU

Metric	2018	2021	Percentage Change
Organic Retail Sales (€)	€35,819,830,000	€46,665,000,000	30.3%
Unadjusted Retail Growth (€)	-	€10,845,170,000	-
Inflation Rate (%)	-	1.62%	-
Real Value Increase (%)	-	24.1%	-
Number of Producers	321,772	378,226	17.5%

Land under Organic Agriculture (ha)	13,305,432	15,639,063	17.5%
Number of Importers	4,865	6,378	31.0%
Number of Processors	69,113	82,500	19.4%
Number of Exporters	3,152	2,404	-23.7%

The volume and amount of shipments of imports must be assessed to establish whether the import industry is growing, stable or regressing. As retail data and EU production data is only available until the year 2021, this time period will be analyzed to assess this growth (Table 7).

Table 7: Change in organic agriculture import shipments between 2018 and 2021 in The EU

Reporting Year	2018	2021
Total Import Shipments	7587	10,171
Total Import Volume	2,710,628 tonnes	2,872,948 tonnes
Large Shipments (>2500t)	203	208
Small Shipments (<50t)	5329	7700
Small Shipments (% total)	1.8%	2%

From the above statistics, it is clear that the organic sector saw a period of significant growth between 2018 and 2021 in terms of retail sales, expansion of organic agriculture in the EU, and the import of organic products. This growth cannot be measured in isolation; we are required to understand the broader social and economic factors that could have attributed to this expansion. As we all know the Covid-19 pandemic had far reaching effects on every sector of society; one of these effects was the growth of the retail food sales in 2020-2021. In the annual McKinsey report on the status of European retail industry for 2020-2021⁴⁰⁰, various forces were highlighted to explain why this growth took place. These observations are supported by the growth experienced by the

organic retail sales in the reporting year ending in 2021. For our understanding of the organic products trade, the following forces were of particular interest:

Higher grocery spending became a prominent trend within the European retail market, driven by various factors related to the global COVID-19 pandemic. This trend had a significant impact on consumer behaviour, consumption patterns, and the operations of grocery retailers. The outbreak of the pandemic led to a substantial shift in consumer priorities. With lockdowns, remote work, and restrictions on dining out, individuals and families spent more time at home. As a result, there was a heightened emphasis on cooking meals at home, thereby increasing the demand for grocery products. At the onset of the pandemic, uncertainty about supply chains and the potential for future shortages prompted a wave of panic buying and stockpiling. Consumers rushed to stores to secure essential items, leading to temporary shortages of products like toilet paper, cleaning supplies, and non-perishable foods. With restaurants, cafes, and other food service establishments facing closures or capacity limitations, consumers had fewer options for dining out. This further contributed to the surge in demand for grocery products, as people had to rely more on cooking meals at home. The health and safety concerns associated with the pandemic led many consumers to avoid crowded places, including restaurants and crowded markets. This preference for socially distant shopping environments drove more people to purchase groceries from supermarkets and online platforms. With people spending more time at home, there was a change in consumption patterns. Consumers focused on purchasing items like baking ingredients, canned goods, frozen foods, and bulk staples. In contrast, products associated with on-the-go activities, such as ready-to-eat meals, experienced decreased demand. The demand for online grocery shopping skyrocketed as consumers sought safer alternatives to in-store shopping. Many grocery retailers quickly scaled up their online ordering and delivery services to meet this demand, leading to a significant increase in e-commerce sales. The high demand, coupled with supply chain disruptions, contributed to price fluctuations for certain goods. Prices of some products, especially those in high demand, experienced temporary increases due to supply shortages and logistical challenges.

Polarized consumer demand is a phenomenon where consumer preferences and spending behaviours become divided into two distinct groups, often with opposite

tendencies. This polarization can be influenced by various factors, such as economic conditions, societal changes, and shifts in consumer attitudes. During 2020, economic effects and changes in daily routines led to a pronounced polarization in consumer behaviour within the grocery retail sector. This polarization manifested in two primary ways: “Up-trading” and “Downtrading”. Up-trading is where some consumers chose to "trade up," which means they shifted towards purchasing higher-priced, premium, or higher-quality products. This trend was fuelled by factors such as increased disposable income due to reduced spending in other areas (like travel or dining out), a heightened focus on health and well-being, and more time spent at home. As a result, consumers were more willing to invest in healthier, premium, and sustainable options. While on the other extreme, there was “Downtrading”, where a group of consumers opted to "trade down," meaning they shifted towards purchasing lower-priced, value-oriented, or basic products. This trend was primarily driven by economic uncertainty, job losses, and financial constraints caused by the pandemic. Consumers in this category were more focused on minimizing expenses and searching for budget-friendly alternatives. The polarization in consumer demand was reflected in the choices consumers made within the grocery retail space. Up-trading Behaviour: Consumers who traded up were more likely to choose organic, premium, or locally sourced products. They might have shown a preference for healthier food options, fresher produce, and environmentally sustainable products. This behaviour was linked to factors like health consciousness, improved cooking skills during lockdowns, and a desire to make the most of time spent at home. Downtrading Behaviour: Consumers who traded down were more inclined to choose private-label or store-brand products, which are typically more affordable than well-known brands. They might have also sought out bulk purchases and discounted items to reduce their grocery bills. This behaviour was driven by the need to manage tighter budgets and prioritize essential purchases.

The health and environmental consciousness trend observed in the European grocery retail market in 2020 reflected a significant shift in consumer attitudes and behaviours towards more sustainable and health-focused choices. The ongoing pandemic heightened individuals' awareness of health and well-being. Consumers became more conscious of the importance of maintaining a healthy lifestyle, including their dietary

choices. As a result, there was an increased demand for products that support immunity, provide essential nutrients, and contribute to overall well-being. There was a growing preference for locally sourced and organic products. Consumers recognize the benefits of supporting local farmers and businesses, as well as the potential health advantages of consuming organic foods. Consumers are becoming more diligent in reading product labels to understand the ingredients and nutritional content. They want clear and accurate information about where the product comes from, how it's made, and whether it meets certain health or ethical standards. Social media and online platforms played a crucial role in disseminating information about sustainable and healthy choices. Consumers were exposed to content that educated them about the benefits of certain products, brands, and lifestyle choices.

In the McKinsey report on the status of the European retail industry 2021-2022⁴⁰¹, there were numerous challenges highlighted that would potentially have negative effects on the retail sales of organic products — chiefly, economic headwinds⁴⁰² and inflation. Economic headwinds refer to external factors that create challenges or obstacles to economic growth and stability. These factors can include geopolitical tensions, changes in government policies, fluctuations in exchange rates, and other macroeconomic conditions that can negatively affect businesses and industries. Inflation is understood as the general increase in the prices of goods and services in an economy over a specific period. It erodes the purchasing power of money, leading to higher costs for both consumers and businesses. Inflation can be triggered by various factors, such as increased demand, supply chain disruptions, rising production costs, and changes in monetary policy.

In the context of the grocery retail industry, economic headwinds and inflation can have several significant impacts. Inflation often leads to an increase in the cost of goods for retailers, as the prices of raw materials, transportation, and production rise, suppliers may pass these costs onto retailers. This, in turn, puts pressure on retailers to either accept lower profit margins or pass the price increases onto consumers. Inflation reduces the purchasing power of consumers' income — as prices rise, consumers may find that their budgets do not stretch as far as they used to. This can lead to changes in spending habits, including downgrading to cheaper products, buying fewer non-

essential items, or seeking out discounts and promotions. When costs rise due to inflation, retailers face a challenge in maintaining their profit margins. If they are unable to pass on the entire price increase to consumers, their margins may shrink. This can impact the financial health of retailers, especially if their operational efficiency is not sufficient to offset rising costs. Inflation can lead to changes in consumer behaviour. Consumers become more price-sensitive, opting for lower-priced alternatives and reducing spending on discretionary items. This shift in behaviour can affect sales volumes and the mix of products consumers choose. Inflation can lead to uncertainty in supply chains and procurement processes. Fluctuations in commodity prices and input costs can make it difficult for retailers to plan and budget effectively. Additionally, managing inventory levels becomes more challenging as demand patterns shift due to changing consumer preferences.

Over the course of 2021 and 2022, inflation emerged as a paramount concern among not only consumers but also within the realm of grocery retailers and suppliers throughout the EU. A discernible escalation in the general inflation rate within the EU manifested, soaring from a modest 2.9 percent in 2021 to an alarming 9.2 percent in 2022, with an apex recorded at 11.5 percent in the month of October. The inflationary pressures were particularly pronounced in the domain of food commodities, where inflationary increments were observed to be as much as double the prevailing general inflation rate. This disconcerting phenomenon precipitated a conspicuous strain upon household economies, as burgeoning expenditures markedly outpaced disposable incomes, thereby engendering palpable financial distress. The repercussions of this economic milieu were apparent in the discernible consumer behaviour shift toward cost-conscious choices, resulting in "downtrading". Paradoxically, amid this prevailing economic uncertainty, the aggregate grocery sales within the European landscape managed to exhibit a superficial growth of 2.9%⁴⁰³ in 2022 when contrasted with the previous year. However, it is imperative to underline that this ostensible growth was largely underpinned by a notable elevation of 10.7%⁴⁰⁴ in price points, contrasted with a substantial contraction of 3.6%⁴⁰⁵ in the volume of goods transacted. The consequential impact of this phenomenon was further compounded by a discernible downtrading effect of 3.6%⁴⁰⁶. The interconnected forces of burgeoning inflation,

fluctuating volumes, and a discernibly price-sensitive clientele have collectively shaped marked pressures on the profit margins of several European grocery retailers.

Though the organic retail sales figures for 2022 have not been released by EUROSTATS, the influence of the above factors can be observed in the imports of organic products for the reporting year 2022 (Table 8).

Table 8: Analysis of shipping volumes and decline in the imports of specific products between 2018 to 2021 in The EU.

Metric	Value
Total Import Shipments	8648
Total Import Volume (tonnes)	2,727,206
Large Shipments (>2500 tonnes)	66.7%
Small Shipments (<50 tonnes)	72.9%
Small Shipments as % of Total Imports	1.96%
Year-on-Year Decline in Overall Imports	-5.1%
Decline in Large Shipments	-13%
Decline in Small Shipments	-18%
Decline in Food Preparations	-36.0%
Decline in Processed Products (including wine)	-7.4%
Decline in Other Primary Commodities	-6.0%

The future of retail sales in the EU from 2023 onwards remains uncertain; however, if certain trends and developments are examined, we can predict what will occur in the EU retail industry in general and how it can affect organic retail sales specifically. The quantity of goods being sold is expected to normalize in the first quarter of 2023, a point where the market dynamics are expected to change from the more unpredictable and volatile patterns seen during the pandemic to a more stable and foreseeable scenario,

as the volume of trade was mostly stable in the second half of 2022⁴⁰⁷, and signals a return to a less unpredictable and more consistent level of demand.

Despite the overall decline in general inflation, food inflation takes longer to be reduced. In the first quarter of 2023, food commodity prices experienced a significant reduction, marking a departure from their previous peak. For instance, the global agriculture price index had already descended by 12.8%⁴⁰⁸ from its peak in April 2022. The interplay between food commodity prices and the behaviour of food retail prices is of key interest. Historic analysis has revealed that there exists a time lag of approximately six to twelve months between changes in commodity prices and the subsequent adjustments in food retail prices⁴⁰⁹. This lag effectively implies that fluctuations in commodity prices are not immediately reflected in the prices consumers encounter in grocery stores. Considering these dynamics, a cautiously optimistic outlook emerges. The expectation is that the elevated food inflation experienced in the earlier part of 2023 is likely to see a significant slowdown in the latter half of the year. This anticipation is grounded in the historical relationship between commodity prices and retail prices, suggesting that the effects of the declining commodity prices witnessed in early 2023 will eventually permeate the retail sector and lead to a moderation in food inflation.

Predicting consumer behaviour in 2023 will come down to price consciousness. The desire to save money on food was primarily associated with low-income households, but this intent became prevalent across different income brackets as the year progressed. This shift in behaviour was reflected in the increased popularity of private-label products and discounters⁴¹⁰. These trends were indicative of consumers seeking more cost-effective options in response to economic uncertainties. As the trend continues into 2023, consumers are planning to further "trade down." Survey data indicates that 53% of consumers intend to save more money on food purchases⁴¹¹. To manage their budgets, consumers also plan to reduce spending on premium, healthy, and sustainable products, such as organic products.

In terms of microeconomic trends for organic retail sales in 2023, the development of economies of scale will be critical. These economies arise when increased production yields a reduction in average cost per unit, leading to enhanced operational efficiency. This notion is particularly pertinent in the context of the grocery retail landscape, where

endeavours to achieve synergies and economies of scale have assumed greater prominence⁴¹². This phenomenon is accentuated by the challenges faced by smaller grocery retailers due to current market dynamics, necessitating strategic responses to optimize costs. The prevailing business environment has exerted considerable pressure on grocery retailers to grapple with costs while simultaneously addressing evolving consumer preferences. Among the enduring advantages within this realm is the advantage of scale. Notably, larger retailers can harness their size to negotiate favourable terms with leading brands, thereby lowering overall cost burdens. Furthermore, investments in cutting-edge technologies and sustainable practices, crucial for sustained competitiveness, are more attainable for retailers boasting extensive store networks⁴¹³. Such investments can be diffused across a broader customer base, optimizing resource allocation.

In the contemporary landscape defined by escalated price sensitivity, margin constraints, and substantial investment imperatives, the pursuit of economies of scale acquires added urgency. Consequently, a vigorous race to attain these efficiencies is envisaged for the year 2023 and beyond⁴¹⁴. This pursuit is poised to assume divergent trajectories across the retail spectrum. Major industry players are projected to engage in strategies marked by vigour, encompassing ambitious mergers and acquisitions or forging strategic alliances⁴¹⁵. These stratagems, proven advantageous during periods of industry tumult, facilitate resource consolidation, skill-sharing, and operational streamlining. On the flip side, smaller grocery retailers, encumbered by limited individual resources, are poised to explore alternative avenues for reaping the benefits of economies of scale. These tactics might encompass collaborative actions, including participation in bundled purchasing initiatives, wherein several smaller retailers pool resources to negotiate favourable supplier agreements. Additionally, affiliating with franchising networks or forming partnerships for collective investments could enable these retailers to harness the advantages of scale without necessitating substantial individual inputs.

This trend became discernible in the latter half of 2022. Notable instances encompass Rewe's pronouncement of a €5 billion investment by 2025 to bolster its European footprint through targeted acquisitions⁴¹⁶, and Ahold Delhaize's strategic inclusion of

the Jan Linders chain as an Albert Heijn franchisee⁴¹⁷. Equally, the departure of Aldi North from the Danish market⁴¹⁸, Coop Denmark's format mergers⁴¹⁹, and the collaborative venture between the Scandinavian purchasing consortium Coop and French retailer Carrefour⁴²⁰ underscore multifaceted strategies to harness economies of scale.

The ramifications of the intensified focus on economies of scale extend beyond the retail realm. Organic agriculture, characterized by smaller-scale production, might encounter challenges in aligning with the trend toward scale-driven cost optimization. As larger retailers prioritize volume-centric negotiation strategies, smaller organic producers might find themselves disadvantaged. Furthermore, an influx of imported goods could be used to meet this demand at the scale required for retail profitability. Smaller-scale organic importers could potentially face hurdles in matching the advantageous terms secured by larger players, thereby affecting the availability and affordability of imported organic goods. Economies of scale exert a pivotal influence on the grocery retail sector, driving operational efficiencies, supplier negotiations, and strategic partnerships. The intensified pursuit of these efficiencies stands to reshape the competitive landscape. However, the implications extend beyond the industry, potentially affecting organic agriculture and the import landscape, warranting a nuanced understanding of the interplay between these diverse dimensions.

An understanding of the current composition of the organic products imported and the change over the period 2018-2022 can provide insight into the possible future trends that the industry may experience in the coming years (Table 9).

Table 9: Increase of organic fruits imports into The EU between 2018 and 2022

Product Category	Import (tonnes) in 2022	Volume Change from Previous Year (%)	Change from 2018 (%)
Total		-5.9	
Citrus Fruit	42,740	+20.0	+58
Tropical Fruit	872,234	-3.4	+32

These exports are primarily bananas—a favoured loss leader⁴²¹ for large chain stores and as such the market for bananas will remain consistent. However, the overall decrease in fruit and vegetable imports for the 2021—2022 period might point to a combination of factors such as varying supply chains, seasonality, or fluctuations in consumer preferences. However, this shift can be linked to consumers tightening their budgets as they are faced with economic uncertainty and rising inflation⁴²²; in such situations, luxuries such as tropical fruits or premium-priced organic fruits are removed from consumers shopping baskets to save money⁴²³.

Organic arable crops displayed a nuanced import trend in the 2021—2022 period, with a slight decrease of 1.1%. Delving into individual product categories within arable crops reveals varying dynamics (Table 10):

Table 10: Import trends for organic grains into the EU for the period of 2018 to 2021

Category	2018	2022	Change	Trend
Soybean Imports	104,794 tonnes	191,898 tonnes	+83%	Increased by 51.3%
Oilcakes Imports	257,056 tonnes	223,028 tonnes	-13%	Increased by 6.8%
Cereals (excl. wheat & rice) Imports	224,792 tonnes	120,743 tonnes	-46%	Decreased substantially
Wheat Imports	188,847 tonnes	31,838 tonnes	-83%	Decreased significantly
European Maize Production	Stable around 540,000 tonnes per year (2019-2021)	Stable around 540,000 tonnes per year (2019-2021)	Stable	Stable production levels

European Wheat Production	Increased 657,266 (2019)	from tonnes to	Increased 657,266 (2019)	from tonnes to	+78%	Significant increase
	1,171,462 (2021)	tonnes	1,171,462 (2021)	tonnes		

In the category of oil seeds (Table 11):

Table 11: Import trends for organic oil seeds into the EU for the period of 2018 to 2021

Category	2018 Imports (tonnes)	2022 Imports (tonnes)	Change (%)
Oilseeds other than soybeans	189,053	92,700	-51%
European Production (Oilseeds)	175,129	281,636	+61%
Beet and Cane Sugar	162,329	145,651	-10.3%

This indicates an increasing self-sufficiency for the EU in terms of oilseeds. This decrease comes from a reduction of large shipments from Ukraine and Turkey during this period and an increase in European production; however, the increase in production does not appear to account for the entire decrease experienced. It is important to note that, of those imports of sugar, the vast majority are cane sugar and, as such, cannot be replaced by producers in continental Europe due to climatic requirements. There is also no suggestion in the available production statistics that the fall in imports is being driven by increased European sugar beet production⁴²⁴. These falls in imports can be allocated to budget-conscious consumers choosing cheaper alternatives.

In the category of organic permanent crops, which excludes fruits and nuts, the total import volume witnessed a decrease of 4.7% (Table 12).

Table 12: Import trends for organic permanent crops into the EU for the period of 2018 to 2021

Product Category	Import Trend	Total Import (tonnes)	Source	Notable Information
Olive Oil	Decrease: 17.5%	36,757	Tunisia	Primary source for organic olive oil, significant increase since 2018
Unroasted Coffee, Tea, Mate	Stable, marginal increase: 0.4%	145,263	Honduras, Peru	Coffee dominates (92%) with 133,422 tonnes; notable increase from 2018

Within organic animal products, the total import volume experienced a decline of 7.5% for the 2021-2022 reporting year (Table 13):

Table 13: Import trends for organic animal products into the EU for the period of 2021 to 2022

Reporting Year	Product Category	Import Volume (tonnes)	Import Trends
2021—2022	Honey	17533	Dominant animal product import
2021—2022	Milk Powders & Whey	3190	Significant decrease by 58.1%
2021—2022	Fresh Milk Products	4486	Substantial increase by 21.7%
2021—2022	Fresh Milk Products	4170	93% delivered in single transaction UK to Netherlands

2021	Fresh Milk Products	4486	Reporting began in 2021
2021	Fresh Milk Products	4170	Reporting began in 2021
2021—2022	Bovine Meat	1121	Limited import volume, nominal increase
2021—2022	Bovine Meat	59	Previous year's imports
2021—2022	Bovine Meat	640	Majority imported from UK, 57%

The import volumes and changes observed in the organic product categories from non-EU countries reflect a multifaceted landscape shaped by a myriad of factors. Analyzing these trends offers a window into the dynamics of the global organic market, enabling stakeholders to make informed decisions that align with consumer preferences, economic realities, and sustainability objectives. The demand is driven by a desire to make conscious consumption choices that positively impact personal well-being and the planet. Consumers within the EU were willing to pay higher prices for products that meet these criteria, even if they are sourced from non-EU countries. Non-EU countries often have lower production costs due to factors such as labor costs, land availability, and regulatory frameworks. This cost advantage enables these countries to produce organic products at a lower overall expense. Consequently, EU consumers can access organic products at competitive prices, enhancing the affordability of organic choices and making them more accessible to a broader audience. However, with the current economic climate consumers have become more careful with their spending⁴²⁵ and health consciousness has given way to price consciousness.

In terms of individual countries, interesting trends were observed. Ecuador remained the top exporter in both 2021 and 2022. Its consistent performance suggests a stable export-oriented economy. The Dominican Republic also maintained its position as a significant exporter. While both countries exported significant amounts of organic products in 2022, it must be noted that the change in their exports to the EU were 0.1% and -5.2% respectively, compared to 6.5% and 5.1% in 2021. This decline in trade is

consistent with consumers becoming price-conscious. The export of tropical fruit is the primary driver of their export market, with a share of 91.9% and 90.1% of exports from the respective countries.

China exhibited remarkable growth in imports, particularly in 2022. This could be attributed to the country's role as a global manufacturing hub and its increasing domestic consumption. This is displayed by the fact that its primary export to the EU was oilcakes, which are the remnants of oilseeds once they have been processed to produce refined oils; thus, making the EU a market for what is essentially a by-product. In contrast, India's exports to the EU saw a considerable drop (-32.4%) in 2022, while, in the same period, it saw a 25.6% increase in the export of conventionally farmed products⁴²⁶. The decline could be due to various factors such as economic slowdown, policy changes, or supply chain disruptions. However, it can most likely be associated with India's foreign policy of preventing "weaponized interdependence". This is a political phenomenon that needs specific attention as it has a major bearing on the EU's organic policies and attitude towards the implementation of these policies outside of its geographic area.

Amid the historical context of post-World War II economic paradigms, which assumed that economic connections would lead to increased prosperity and global harmony, Farrell and Newman⁴²⁷ in 2019 introduced the concept of "weaponized interdependence". This concept highlights a new phenomenon in the global economy where intricate connections of production and services across international value chains create complex webs. The authors emphasize the rise of hierarchical economic networks resulting from these interdependencies. They argue that nation-states with political control over crucial nodes in these networks, supported by domestic institutional frameworks, can strategically exploit the mechanisms of interdependence to their advantage. This strategic manipulation involves controlling information and economic pathways, made possible by surveillance dynamics and "choke point" controls. These tactics allow states with strong network influence to identify vulnerabilities, influence policy changes, and deter undesirable actions⁴²⁸.

While instances of such weaponized interdependence have sporadically appeared in recent history, exemplified by China's regulation of rare earth mineral exports, the

unprecedented COVID-19 pandemic has underscored the significance of this phenomenon. The pandemic's devastating impact on lives and societies has revealed the risks associated with unchecked globalization and extensive economic integration. Notably, several countries responded to pandemic challenges by imposing restrictions on the export of vital medical supplies. This included the EU, which swiftly implemented emergency measures to limit the outward flow of crucial medical resources, leading to disruptions both within and beyond the EU's borders. The COVID-19 crisis prompted a collective realization of the vulnerability of global health supply chains when faced with life-threatening shortages. This recognition highlighted how vulnerabilities in production processes could be used for geopolitical purposes. An illustrative case arose when the EU, aiming to protect its healthcare resources, imposed export limits affecting Serbia's access to critical supplies⁴²⁹.

India appears reluctant to accept and fully implement the EU's organic standards. Consequently, India chooses to rather implement their own organic standards and continue to trade in conventional products and agricultural products. The relevant authorities in India fear that the "choke point" caused by the EU's organic policies in allowing privately owned certification bodies⁴³⁰ — a sector that is dominated by large European multi-national companies — to have the ultimate authority in certifying products as "officially" organic, could be used as agents for "weaponized interdependence".

A further observation of interest is the "developing economy" exporters that have appeared in the 2022 statistics. At this point, we must distinguish between emerging and frontier markets. Emerging markets are economies that have progressed beyond the initial stages of development, showing steady growth, industrialization, and improved living standards. Examples include China and India. Frontier markets are less developed economies that come before emerging markets in terms of growth and infrastructure. Examples include Benin and Jordan.

With this information in mind, when the top 30 organic products exporting nations are analyzed, a disturbing pattern emerges. The top 30 exporters account for 88.8% of all organic imports into the EU. The countries that fall within the emerging market are defined by S&P Dow Jones indices⁴³¹⁴³², namely Brazil, Chile, China, Colombia, India,

Mexico, Peru, Philippines, South Africa, Thailand, and Turkey, provided 36.4% of the top 30 import share. While developed countries, namely Canada, Israel, and the United Kingdom, provided 3.4% of the top 30 import share. This leaves the countries that do not meet the development criteria to be classified as emerging markets and rather fall under the frontier market category providing 49% of the top 30 of the import shares.

Frontier markets, characterized by their early stage of development, demand strategic approaches for sustainable growth to ensure enduring prosperity for local businesses and communities. In these contexts, a delicate balance is imperative to avoid exploitation⁴³³. Particularly in developing countries, the dynamics of international collaborations carry inherent risks⁴³⁴. The intrinsic asymmetry in power distribution amplifies the vulnerability of local enterprises, primarily due to their dependence on foreign collaborators⁴³⁵. Collaborations on an international scale, while promising avenues for development, must be approached with circumspection. The perils associated with such partnerships accentuate the need for meticulous risk assessment and mitigation strategies⁴³⁶. The path to sustainable growth and enduring prosperity in frontier markets is laden with challenges, particularly concerning international collaborations. The potential for exploitation underscores the necessity for strategic caution.

An example of a frontier market that may be entering a phase of exploitation under the guise of sustainable agriculture, specifically organic agriculture, is Togo. Togo has experienced substantial export growth from 2020—2021 (26.5%) and 2021—2022 (83.8%), or a staggering 232.55% between 2020 and 2022. This growth was driven by soybean exports to the EU. Togo currently supplies the EU with 62.6% of its organic soybean imports or 120,094 tonnes. For perspective, this is slightly less than the entire declared organic soybean production of the EU for 2021, which was 139 721⁴³⁷ tonnes. Togo has almost no demand for organic soybeans⁴³⁸ and effectively exports the entire harvest. Togo was experiencing a prevalence of severe food insecurity in the population — 18.8%⁴³⁹ in 2020 — and only 19% of the population has access to clean drinking water⁴⁴⁰. At the same time, Togo grew an agricultural crop (to an EU-certified organic standard) that was used to feed livestock in Europe, an organically certified ration to

ensure that same livestock can be certified organic and marketed as such to discerning health-conscious consumers.

Of further concern is that Togo has no Togolese-based and registered control bodies that can be approached for certification services. In terms of the Articles laid down in Commission Implementing Regulation (EU) 2021/2325, the country's organic sector is serviced by various multi-national control bodies, with their head offices based in the EU, specifically, four in Germany, two in Italy, and one each in Belgium, the Netherlands, and France. The effectiveness of organic farming hinges upon the external demand for organic products, which may not always be consistent. Given the relatively modest crop yields associated with organic farming, adopting such an approach would potentially amplify Togo's reliance on food imports, thereby exposing the nation to potential risks in the event of supply shortages. Overall, organic farming presents a feasible near-term approach for guiding Togo's shift towards sustainable agriculture, yet it should not be misconstrued as a lasting solution. This gives credence to India's conservative approach to embracing the EU organic rules without due diligence.

7.2 Predictions and potential developments in the import of organic products

7.2.1 Discussion of future prospects, challenges, and opportunities in importing organic products from non-EU countries

The future of the organic agriculture industry in the EU is at a crossroads. Besides the economic challenges mentioned above, organic agriculture in the EU and specifically the organic certification regime associated with the Regulation (EU) 2018/848 will face obstacles caused by ethical uncertainties, bureaucratic developments, and the ever-changing geopolitical landscape of the 21st century.

The current structure of organic agriculture in the EU is a far cry from the utopian food system imagined by the founders of the organic movement. The ideal of organic agriculture forming the backbone of a circular economy, which subsequently preserves the agrobiodiversity and culinary cultures of a region, is nothing but a pipe dream in the current climate of retail-driven organic sales and marketing. We need to acknowledge that organic agriculture is an industry like any other, tied to the rules of economics, business, and politics. The reason that organic agriculture saw a boom in the last two decades is because it is profitable for the retail sector⁴⁴¹ and consumers' growing levels

of environmental concern, whether for anthropocentric or ecocentric reasons, have made customers more willing to pay the premium prices demanded for organic products.

Organic agriculture, heralded for its initial promise of sustainability and environmentally friendly practices, has undergone a transformation that challenges its fundamental ideals. The transition from numerous small producers adhering to ecologically sound principles to an industry dominated by unsustainable practices and industrial-scale farms raises concerns regarding its long-standing reputation as a sustainable food production method. The trajectory of organic agriculture has veered away from its original principles, thus warranting a critical assessment of its current practices and their implications. The phenomenon of "conventionalization"⁴⁴² in organic farming underscores a crucial aspect of the shift away from the ideal of small-scale, sustainable production. While organic farming was initially celebrated for its contribution to environmental protection, biodiversity preservation, and adherence to higher animal welfare standards, studies have revealed a growing disconnection between the regulatory framework and the foundational principles of organic farming⁴⁴³. Certified organic farms, while technically compliant with regulations, are increasingly adopting conventional agricultural practices that compromise the essence of organic agriculture. This phenomenon is driven, in part, by the desire to cater to larger retailers and their need to create economies of scale to ensure profitability⁴⁴⁴.

Contrary to the claims made by organic farming advocates, the environmental sustainability of organic agriculture has been compromised. The shift toward industrial-scale farms, characterized by the intensification of practices such as solid organic matter application and composting, has been linked to issues like nitrate down-leaching into groundwater⁴⁴⁵. This phenomenon is particularly concerning in regions grappling with water scarcity. Moreover, the use of wide-scale composting, while a hallmark of industrial organic farming, has been shown to generate significant greenhouse gas emissions, including methane and nitrous oxide⁴⁴⁶. This contradicts the perception that organic farming inherently mitigates impacts of climate change.

An essential aspect of the evolving organic agriculture landscape is the disparity in crop yields between organic and conventional systems. Organic farming's lower yields per

unit of land and water necessitate greater land conversion for production. This expansion leads to the unintended consequence of increased pressure on agricultural land and water resources, both of which are already strained in many parts of the world. As organic production scales up to meet demand, it paradoxically exacerbates the very environmental challenges it initially sought to address.

The evolution of organic agriculture from its origins as a sustainable and environmentally friendly practice to a system characterized by unsustainable practices and industrial-scale farms demands a critical reevaluation. The conventionalization of organic farming, driven by factors such as catering to larger retailers, has led to a disconnection between regulatory compliance and the foundational principles of organic agriculture. The mounting evidence of sustainability challenges, yield disparities and technological stagnation further emphasizes the departure from the original ideals. As the organic industry expands, it is imperative for stakeholders, policymakers, and consumers to consider these trends critically and address the fundamental questions of whether the current trajectory aligns with the sustainability goals that organic agriculture was meant to uphold.

The EU has set ambitious targets for the expansion of organic land as part of its Farm to Fork and Biodiversity Strategies, aiming to achieve an average of 25% organic land by 2030. However, a recent report by IFOAM Organics Europe highlights significant bureaucratic challenges that hinder the realization of these proclaimed goals⁴⁴⁷. The report underscores the critical role of financial support in fostering the growth of organic agriculture. The current allocation of the Common Agricultural Policy (CAP) budget for organic farming is insufficient to meet the demands of the Farm to Fork and Biodiversity Strategies. The report suggests that the EU should dedicate three to five times the current amount of CAP budget to organic farming from 2023 onwards to achieve the desired organic land expansion. Moreover, depending on individual countries' targets and baseline data, some Member States may need to allocate up to ten times their current national budget for organic support measures. This raises concerns about the prioritization of financial resources and the disparity between the allocated budget and the actual requirements for organic expansion.

The report highlights the need to incentivize conventional farmers to transition to organic farming practices. However, the current draft CAP Strategic Plans of several Member States lack the necessary measures to facilitate this transition. Organic farmers provide valuable public goods by producing high-quality food while preserving nature. Despite this, the analysis reveals that some countries are considering lowering national payment rates to organic farmers or providing insufficient budgets to support their ambition. This discrepancy between recognizing the benefits of organic farming and failing to provide adequate incentives raises questions about the coherence of policy goals and the practical implementation of measures.

The report identifies a lack of environmental ambition within the eco-schemes criteria, which affects the attractiveness of organic farming compared to other less transformative practices. This discrepancy may discourage farmers from converting to organic practices and hinder the achievement of the EU's biodiversity and climate-related objectives. Furthermore, the issue of "double funding" between Eco-schemes and Rural Development measures presents a bureaucratic hurdle for organic farmers, potentially resulting in financial losses. To illustrate, in the context of Finland, should organic farmers elect to engage with eco-schemes, it is foreseeable that their payment tiers for both organic schemes and Agri-Environment and Climate Measures may experience reduction. Within the German context, the persisting issue of potential overlapping financial support between Eco-schemes and Rural Development measures may precipitate diminished remuneration for organic cultivators. Notably, participation in the extension of the eco-scheme initiative targeted at grassland is anticipated to result in deductions within the ambit of Rural Development measures, specifically pertaining to eco-premium payments. Moreover, it is imperative to underscore that certain eco-schemes, exemplified by the "no pesticide application" scheme, remain beyond the purview of accessibility for organic producers

The report emphasizes the role of Member States in setting national targets for organic land as part of their CAP Strategic Plans. These targets should be based on an analysis of the organic sector's production needs and contributions to the EU's broader goals. It is concerning that several Member States have not yet set official targets for organic farmland or have set targets that do not align with the EU's ambition. The absence of

clear targets raises questions about the commitment of these states to the EU's collective objectives.

It is evident that bureaucratic challenges pose significant obstacles to the achievement of the proclaimed goals of organic agriculture in the EU. The insufficient allocation of the CAP budget, lack of incentives for transitioning to organic farming, and issues related to environmental ambition and funding distribution all contribute to this hindrance. Member States must take a proactive role in aligning their policies and resources with the EU's targets and aspirations for organic land expansion. To fully realize the potential benefits of organic agriculture in addressing biodiversity loss and climate change, a comprehensive and coherent approach to policy implementation is essential. Therefore, the EU and its Member States must collaborate to overcome these bureaucratic hurdles and ensure the success of organic agriculture in achieving its proclaimed goals. A failure to address these issues may result in producers abandoning organic agriculture in an effort to remain profitable and benefit from the CAP allocation.

7.2.2 Assessment of potential regulatory changes and their impacts on imports

In an era of evolving global trade dynamics, regulatory changes play a pivotal role in shaping the flow of goods across borders. With the ever-changing landscape of international commerce, understanding the implications of prospective regulatory shifts is paramount for businesses, policymakers, and stakeholders alike. Through a comprehensive analysis, this section seeks to provide valuable insights into the intricate interplay between regulatory frameworks and the importation of goods in today's dynamic global economy.

Currently, there exists two regulations that are being discussed and developed by the EU that will have a dramatic effect on organic producers in the EU. The regulations are namely The Nature Restoration Law (NRL) and the rapporteur's draft report on New Genetic Techniques (NGTs). The two regulations are in different places in terms of development. The NRL regulations text has been adopted by the European Parliament and now affected parties must wait to see how the law will be implemented in the practical sphere after discussions between the EC and member states. While the NGT's regulation is only in the drafting stage of development.

The NRL establishes obligatory benchmarks aimed at the comprehensive restoration of all deteriorated ecosystems within the European Union by the year 2050. This directive is grounded in empirical data affirming that nature restoration engenders heightened ecosystem fortitude, facilitates the sequestration and retention of carbon, mitigates the consequences of natural calamities, and furnishes societal benefits in terms of health and economic well-being. The NRL has ignited a contentious debate, revealing a fundamental schism among policymakers. On one side are those who prioritize climate and nature considerations, advocating for their pre-eminence over other concerns. On the other side are proponents of a balanced approach, weighing the impact of climate change policies against the well-being of European citizens. The fervour and acrimony surrounding this debate reflect the depth of disagreement.

The NRL's primary objective is to revert natural landscapes to their state in 1950, an endeavour of considerable magnitude. This undertaking challenges local and regional governments to effectuate a substantial reversion within a compressed timeframe. The proposed objectives exceed the international commitments previously made, potentially yielding unintended social and economic consequences. The law mandates the restoration of 20% of areas designated as "in need of restoration" by 2030, with complete rehabilitation by 2050. However, a notable absence of specificity regarding affected areas, coupled with the EC's reluctance to provide this information, presents a significant challenge. The law's broad definition introduces the potential to encompass a significant portion of European territory, necessitating comprehensive adjustments to planning and permitting procedures across various administrative levels.

A pivotal aspect of the law involves the reduction of productive land, forests, and sea areas, akin to the Common Agricultural Policy's set-aside provision. While this approach has proven beneficial for nature, it also raises concerns about potential impacts on food production and prices. Given the current global context, emphasizing increased food production is deemed prudent in light of challenges, such as the Ukrainian conflict's implications for food security.

It is not necessary to enter a detailed discussion on how the NRL will benefit or harm the farmers, both conventual and organic in the EU; however, it is important to

acknowledge that the implementation of the NRL will affect the cost of production in the short term and will further reduce EU farmers competitiveness in the global market.

In 2021 IFOAM Organics Europe expressed reservations in its submission to the public consultation on legislation for plants produced by NGTs. The organization challenged the need for new legislation, arguing that claims of NGTs contributing to sustainability lack empirical evidence and that maintaining current biosafety standards is crucial. Emphasizing a precautionary approach to genetic engineering, IFOAM urged a focus on systems-based solutions, such as organic and agroecological farming. The submission underscored the importance of clear and enforceable traceability provisions and calls for a pragmatic mindset in addressing detection methods. Concerns about potential negative impacts on organic production, including compliance costs, were raised, prompting a request for an in-depth assessment of these costs in the upcoming Impact Assessment. Overall, IFOAM Organics Europe advocated for a cautious and evidence-based approach to NGT legislation, prioritizing sustainability and consumer trust in organic production ⁴⁴⁸.

The draft report on NGTs is the beginning of the consultation process for the establishment of regulations on NGTs. GMOs and NGT foods represent two distinct approaches to genetic modification. While both technologies aim to enhance desired traits in organisms, they employ fundamentally different methods and carry unique implications for agriculture and food production. GMOs involve the introduction of foreign genetic material to confer desired traits, while NGTs focus on precise editing of existing genes without introducing foreign DNA⁴⁴⁹.

NGTs represent a cutting-edge arsenal of tools poised to revolutionize our food system. Their application holds the potential to bolster sustainability and fortify resilience, aligning with the ambitious goals set forth by the EU Green Deal and the Farm to Fork Strategy. NGTs enable the meticulous and efficient refinement of plant varieties, endowing them with a suite of desirable traits: climate resilience, pest resistance, reduced dependency on fertilizers and pesticides, and enhanced yield potential. These techniques are versatile, offering a range of approaches to attain distinct outcomes and products. While some alterations brought about by NGTs may occur naturally or through traditional breeding methods, others may manifest as extensive and manifold

modifications. In the majority of cases, NGTs outpace conventional breeding or established genomic techniques in terms of precision, speed, and targeted efficacy. This heralds a new era in agricultural innovation, poised to address the pressing challenges of our time and pave the way towards a more sustainable and resilient food system⁴⁵⁰. In 2018, the EU Court of Justice classified NGT products as GMOs, subjecting them to stringent GMO legislation.

The latest draft report on NGTs suggests removing the ban⁴⁵¹ on Category 1 NGTs in organic production and deleting seed labelling provisions, compromising transparency. The proposal by the EC categorizes NGT plants into two groups. Category 1 includes NGT plants that could potentially occur naturally or be created through traditional breeding methods. On the other hand, Category 2 comprises NGT plants that cannot occur naturally or be produced using conventional breeding techniques. This classification aims to provide a framework for regulating and managing the use of NGT plants based on their characteristics and potential impact on the environment⁴⁵².

The proposed criteria for categorizing NGT plants as equivalent to conventionally bred plants are critiqued as arbitrary and unclear⁴⁵³. They lack detailed interpretation and neglect crucial factors such as the site of mutations, resulting genotypes, and biological effects (phenotype). The criteria, particularly those related to the overall number of mutations and nucleotide changes, lack scientific reasoning and may permit the generation of traits exceeding the expectations of conventional breeding while still being considered equivalent. Furthermore, certain criteria, such as the allowance for any deletion (Criterion 2) or targeted inversion (Criterion 4), lack scientific justification. Despite the potential for these genetic interventions to yield substantially different plants compared to conventional breeding, the proposed criteria categorize them as equivalent⁴⁵⁴.

The proposed criteria appear to focus primarily on intended changes, neglecting the analysis of non-targeted changes caused by NGT processes in the breeder's gene pool. The site of insertion is not restricted to corresponding natural sites in the genome, even though it is acknowledged that the site and frequency of genetic changes in NGT plants can differ significantly from conventional breeding expectations. Expressions like "sequence similarity" are deemed ill-defined and inadequately contextualized. For

instance, similarity in gene sequences can lead to unpredictable results with nucleases like CRISPR/Cas, as unintended genetic changes may not occur in "predictable DNA sequences." Consequently, unintended genetic changes induced by NGTs may differ substantially in their site and frequency from what is anticipated in conventional breeding. These concerns underscore the need for a more precise and comprehensive set of criteria in the regulatory framework for NGT plants⁴⁵⁵.

IFOAM Organics Europe strongly criticizes the EC proposal to deregulate NGTs, asserting that it is misguided and poses threats to European seed autonomy, biosafety, and sustainable agriculture. The organization emphasizes the importance of protecting farmers' and consumers' freedom of choice, preventing genetic resource monopolization through patents, and maintaining traceability for NGTs. The President, Jan Plagge, argues that the proposal undermines biosafety and consumer information, potentially benefiting the biotech and chemical industry. The organic movement urges the European Parliament to prioritize consumer information, establish a legal basis for co-existence measures, and resist the proposed exemptions from risk assessment, traceability, and labelling. The lack of an evidence-based and systematic approach to agriculture is criticized, along with concerns about potential reductions in transparency and increased greenwashing. The proposal is seen as a threat to the European model of innovation in breeding and conflicts with EU environmental goals, particularly in light of the organic movement's resolution to maintain GMO-free organic farming. Technical details of the proposal, such as the elimination of mandatory traceability and the prohibition of national opt-outs, are highlighted as problematic⁴⁵⁶.

The introduction of genetically edited plants into organic agriculture presents a multifaceted challenge, particularly in the context of competition between small and large producers. Advocates argue that genetic editing can enhance crop traits, fostering improved yields and resilience against pests and diseases. However, concerns emerge regarding the economic dynamics within the agricultural sector. Large producers, with greater financial capacity, may swiftly adopt genetically edited plants, potentially exacerbating technological disparities with smaller counterparts. This dichotomy raises questions about fairness, market access, and the risk of monopolization of genetically edited plant technologies. Moreover, the inclusion of genetically edited plants in organic

practices may have profound implications for consumer confidence in the organic label. Consumers, drawn to organic products for their perceived naturalness and sustainability, may question the authenticity of the label if it incorporates genetically edited crops. Maintaining consumer trust is essential for the success of the organic market, and potential departures from traditional organic principles may lead to confusion and a loss of faith. Addressing these challenges requires policymakers to strike a delicate balance, ensuring equitable access to genetic innovations while safeguarding the interests of smaller producers and upholding the diverse farming and breeding sector integral to organic farming principles. Clear communication and transparency about the incorporation of genetically edited plants are crucial to mitigate potential negative impacts on consumer confidence.

The new regulations for agriculture in the EU will ultimately place more economic and administrative pressure on producers, especially small producers that do not have the capital available to make drastic changes to their farming practices. As such, competition from producers outside of the EU will increase as the retail sector grapples with rising production costs in the EU and contracting economic conditions in the EU itself⁴⁵⁷.

Another threat that exists for organic agriculture in the EU is the prospect of Ukraine joining the EU. This has raised concerns about the potential impact on organic agriculture within the EU. Ukraine is a global agricultural powerhouse, ranking among the world's top exporters of maize, wheat, sunflowers, and other grains⁴⁵⁸. The Ukrainian government recently adopted a new land reform law effective July 1, 2021, easing the ban on the sale of certain types of agricultural land⁴⁵⁹. This reform opens the land market, unlocking private investment, which will economically revitalize rural communities, primarily through the growth of agricultural-focused SMEs⁴⁶⁰.

The integration of Ukraine into the EU could potentially flood EU markets with cheap produce⁴⁶¹. This could pose a threat to organic agriculture within the EU, as organic farming practices are generally more expensive than conventional farming methods. The influx of cheaper, non-organic produce from Ukraine could undermine the competitiveness of organic farmers within the EU⁴⁶². While the further development of an organic agriculture industry within Ukraine could be a crippling blow to organic producers in the EU, as the costs of conducting business in Ukraine are lower and the

scale of agriculture practiced will make organic products from Ukraine significantly cheaper.

The CAP system, which aims to increase the income of farmers by setting minimum prices⁴⁶³, could potentially fail under the pressure of integrating Ukraine's vast agricultural sector. If Ukraine were to become a member of the EU, it would receive the largest chunk of money from the €386 billion CAP, which rewards countries according to their agricultural area⁴⁶⁴. This could lead to a systemic failure of the CAP system, as it may not be equipped to handle such a large influx of agricultural land into the system⁴⁶⁵.

While the integration of Ukraine into the EU could bring economic benefits to Ukraine and potentially the EU, it also poses significant threats to organic agriculture within the EU. The recent change in legislation that allows for the trading of agricultural land in Ukraine, coupled with the potential failure of the CAP system, could undermine the competitiveness of organic farmers within the EU. Therefore, careful consideration and planning are necessary to mitigate these risks and ensure the sustainability of organic agriculture within the EU.

8 Conclusion

8.1 Summary of findings

8.1.1 Recapitulation of the main findings and key insights from the study

This examination provides a nuanced understanding of the challenges and opportunities in importing organic products into the EU, with a focus on regulatory frameworks, market dynamics, and the integration of new member states like Ukraine. The findings underscore a critical tension within the organic sector: while the EU has set ambitious goals to increase organic farmland by 2030, achieving these targets requires overcoming significant hurdles. These include improving funding mechanisms, aligning regulatory measures with the sector's core principles of sustainability, and addressing yield disparities through innovative practices.

Furthermore, the research highlights the risk of "conventionalization," where organic practices are increasingly industrialized, potentially undermining the sector's environmental and ethical foundations. To counteract this, policy recommendations

include revising subsidies to better support smallholder farmers, enhancing public awareness about the long-term benefits of organic products, and integrating precision farming technologies to address productivity and environmental concerns. The integration of Ukraine could provide an opportunity to expand the EU's organic market, but only if accompanied by robust policy support to harmonize standards and incentivize sustainable farming practices in new regions.

Regulatory changes, particularly the Nature Restoration Law (NRL) and New Genetic Techniques (NGTs), are poised to significantly influence the EU organic import market by reshaping agricultural priorities and practices. The NRL mandates ecosystem restoration measures with legally binding targets, which may inadvertently constrain arable land availability and increase production costs for farmers transitioning to organic methods. These cost pressures could lead to higher organic food prices, potentially affecting consumer demand. Conversely, the debate surrounding NGTs centres on whether their partial deregulation could disrupt organic principles by introducing technologies that are incompatible with current EU organic standards. Proponents of NGTs highlight their potential to boost yields sustainably, while critics warn of unintended consequences, emphasizing biosafety and preserving the integrity of organic certification systems.

The integration of Ukraine into the EU also presents a nuanced challenge to the organic sector. Ukraine's large-scale production of lower-cost conventional produce, coupled with weaker enforcement of organic equivalence standards, could saturate EU markets, intensifying competition for EU organic farmers. This scenario underscores potential vulnerabilities within the CAP, particularly its capacity to safeguard EU organic producers in an expanded market. Without targeted reforms to ensure equitable support, the organic sector risks erosion of its competitive advantage and alignment with sustainability goals.

In exploring the current regulations governing the import of organic products certified to EU standards, the study underscores the need for a coherent approach to policy implementation. The analysis calls attention to bureaucratic challenges hindering the realization of organic land expansion targets, necessitating proactive measures by Member States to align policies with EU objectives. To address these challenges,

policymakers must consider the implications of regulatory changes on organic imports, ensure a balance between innovation and organic principles, and strategize for the integration of Ukraine into the EU. Clear communication and transparency are essential to maintain consumer trust in organic products. Policymakers should collaborate with stakeholders, allocate sufficient budgets, and provide incentives to support organic agriculture's sustainability within the EU.

In conclusion, this study underscores the critical need for a multifaceted and proactive strategy to address the key challenges confronting the EU's organic agriculture industry. These include enhancing the enforcement of certification standards, improving market access for organic producers, and addressing consumer misinformation about organic labelling. By tackling these issues, the EU can uphold the integrity of organic principles and foster a resilient and sustainable future for its organic market.

8.2 Recommendations for improving regulations and practices

8.2.1 *Suggestions for enhancing the effectiveness and efficiency of EU Organic Agriculture regulations regarding products produced and certified outside of the EU*

The dynamic landscape of the organic agriculture industry within the EU necessitates a comprehensive review of regulations and practices. This section presents recommendations to improve the efficacy and efficiency of EU Organic Agriculture regulations, particularly focusing on products produced and certified outside the EU. These recommendations emerge from critical considerations of challenges, opportunities, and potential developments discussed in various sections above.

1. A crucial element in streamlining the CAP is simplification. This recommendation aligns with concerns raised in the analysis of IFOAM Organics Europe's report, emphasizing the need to allocate adequate budgetary support to organic farming. Simplifying the CAP regime ensures that financial resources are efficiently channelled to support the Farm to Fork and Biodiversity Strategies, essential for achieving the ambitious 25% organic land target by 2030.
2. An emphasis on growing high-calorie staple foods aligns with concerns about the environmental and economic sustainability of organic agriculture, as discussed in the examination of the challenges and transformations in the sector. By prioritizing essential food crops, the EU can address both nutritional needs and

- economic viability, mitigating potential negative impacts of industrial-scale farming practices on organic ideals. This recommendation is directly linked to concerns raised about the prospect of Ukraine joining the EU and the potential influx of cheaper, non-organic produce. By encouraging domestic production and self-sufficiency, the EU can protect its organic sector from external market pressures and ensure the integrity of its organic products.
3. The recognition of diverse global agricultural practices aligns with concerns about the conventionalization of organic farming. Avoiding assumptions of universal adoption allows for flexibility in addressing regional contexts, fostering international collaboration, and maintaining the authenticity of organic practices. Acknowledging organic agriculture as an industry subject to regular economic principles addresses concerns highlighted in the examination of the economic challenges faced by the sector. By incorporating economic realities into regulations, the EU can ensure the sustainability of the organic sector by balancing profitability with environmental and ethical considerations.
 4. The recommendation to transition the organic market from a niche sector to mainstream aligns with discussions about the challenges and discrepancies in the CAP budget allocation and insufficient incentives for organic farming. Strategic promotion and increased consumer awareness are essential to expanding the organic market and ensuring its long-term viability.
 5. The need for transparent reporting practices is crucial, considering concerns about the lack of environmental ambition in eco-schemes and potential financial losses for organic farmers. Accurate reporting is fundamental for building trust, addressing issues of double funding, and ensuring effective implementation of organic regulations.
 6. Addressing ambiguities and inconsistencies in organic regulations, as recommended, responds to concerns about the conventionalization of organic farming. Clear and well-defined standards are essential for maintaining the integrity of organic practices and preventing the erosion of foundational principles.
 7. Establishing support mechanisms and incentives for farmers echoes concerns raised about the lack of measures facilitating the transition to organic farming in

the CAP Strategic Plans. Providing financial assistance, training programs, and risk mitigation measures will encourage more farmers to convert to organic, fostering the growth of the organic agriculture industry.

In conclusion, these recommendations are derived from a comprehensive analysis of challenges and opportunities discussed in the prompts. By addressing concerns related to budget allocation, conventionalization, and global market pressures, these recommendations aim to contribute to the sustainable development of the EU organic agriculture sector, particularly in the context of products produced and certified outside the EU.

8.2.2 Proposal for future research directions to address gaps and explore new aspects related to the topic

This section proposes future research directions to address critical gaps and explore new aspects related to the evolving landscape of organic agriculture in the EU. The organic agriculture industry in the EU stands at a crossroads, grappling with challenges such as bureaucratic obstacles, ethical uncertainties, and economic pressures. These proposals seek to outline research avenues that will shed light on crucial aspects influencing the trajectory of organic agriculture in the EU.

1. One significant gap in current knowledge pertains to the underreporting of organic agriculture production in EU countries. This issue can be partially linked to the requirements and challenges outlined in the regulatory framework established under Regulation (EU) 2018/848. Articles 51 and 52 emphasize the obligation of Member States to transmit accurate information regarding the organic sector to the European Commission. However, factors such as inconsistent adherence to these reporting requirements, inadequate monitoring mechanisms, and varying interpretations of the regulation's implementation could lead to discrepancies in data accuracy. Furthermore, Article 53 highlights the need for regular updates on derogations and authorizations, which could contribute to data gaps if not properly managed. Addressing these reporting inefficiencies requires further research into the mechanisms of compliance and the systemic barriers that might disincentivize accurate reporting.

2. The proposed expansion of the EU raises questions about its repercussions on the CAP. Research should investigate how the inclusion of new member states might strain or reshape the CAP regime, particularly in terms of budget allocation and the distribution of subsidies among existing and new member states.
3. The EU has set ambitious targets for organic land expansion as part of its Farm to Fork and Biodiversity Strategies. This research direction involves assessing the attainability of these goals. Factors such as bureaucratic challenges, budget allocation, and national commitment to organic farming need thorough examination to gauge the feasibility of achieving the EU Green Deal objectives.
4. The EU's organic standards are recognized for their stringent regulations. However, the research should explore the likelihood of these standards being universally adopted. Factors such as global market demands, geopolitical considerations, and the influence of international trade dynamics on adherence to EU organic standards merit in-depth investigation.
5. An intriguing aspect is the potential influence of CAP subsidies on the voluntary conversion to organic agriculture. Research should delve into whether the existing subsidy structure acts as a deterrent or incentive for farmers considering the switch to organic practices. Understanding the economic factors involved is crucial for informed policymaking.

In conclusion, these proposals outline crucial research directions to address gaps in understanding the future of organic agriculture in the EU. By investigating the reasons behind underreporting, exploring the impact of EU expansion on CAP, assessing the attainability of EU Green Deal goals, examining the likelihood of universal adoption of EU organic standards, and understanding the influence of CAP subsidies on conversion to organic agriculture, researchers can contribute valuable insights for policymakers, stakeholders, and the organic farming community. These research endeavours will contribute to a comprehensive understanding of the challenges and opportunities facing the organic agriculture sector in the EU, paving the way for informed decision-making and sustainable agricultural practices.

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⁸⁴ Art. 40 1. (b) of Regulation (EU) 2018/848

⁸⁵ Art. 46 2. (c) of Regulation (EU) 2018/848

⁸⁶ Art. 3 (3) of Regulation (EU) 2017/625

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⁹¹ Art. 35 (8) of Regulation (EU) 2018/848

⁹² Art. 35 (8) (i) and (ii) (15) of Regulation (EU) 2018/848

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¹⁰¹ Art. 29 of Regulation (EU) 2018/848 sets out Measures to be taken in the event of the presence of non-authorised products or substances.

¹⁰² Art. 40 (2) of Regulation (EU) 2018/848 sets out “competent authorities may delegate to a control body the decision concerning the tasks provided for in point (b) of Article 138(1) and in Article 138(2) and (3) of that Regulation.”

¹⁰³ Art. 41(1) of Regulation (EU) 2018/848 sets out action to be taken in the case of non-compliance with organic rules.

¹⁰⁴ Art. 9 of Regulation (EU) 2017/625 sets out the “General rules on official controls”.

- ¹⁰⁵ Art. 38 1.(a) of Regulation (EU) 2018/848
- ¹⁰⁶ Art. 38 1.(b) of Regulation (EU) 2018/848
- ¹⁰⁷ Art. 38 1.(c) of Regulation (EU) 2018/848
- ¹⁰⁸ Art. 38 2 (a)-(j) of Regulation (EU) 2018/848
- ¹⁰⁹ Art. 38 3 of Regulation (EU) 2018/848
- ¹¹⁰ Art. 38 3 (a) of Regulation (EU) 2018/848
- ¹¹¹ Art. 38 3 (b) of Regulation (EU) 2018/848
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- ¹¹⁴ Art. 38 3 (c) of Regulation (EU) 2018/848
- ¹¹⁵ Art. 38 3 (d) of Regulation (EU) 2018/848
- ¹¹⁶ Art. 38 5 of Regulation (EU) 2018/848
- ¹¹⁷ Art. 38 6 of Regulation (EU) 2018/848
- ¹¹⁸ *“1. Competent authorities shall draw up written records of every official control that they perform. Those records may be on paper or in electronic form”*
- ¹¹⁹ Art. 38 7 of Regulation (EU) 2018/848
- ¹²⁰ Art. 15 of Regulation (EU) 2017/625 sets out the *“Obligations of operators”*.
- ¹²¹ Art. 39 1.(a) of Regulation (EU) 2018/848
- ¹²² Art. 39 1.(b) of Regulation (EU) 2018/848
- ¹²³ Art. 39 1.(c) of Regulation (EU) 2018/848
- ¹²⁴ Art. 39 1.(d) (i) and (ii) of Regulation (EU) 2018/848
- ¹²⁵ Art. 39 1.(d) (iii) of Regulation (EU) 2018/848
- ¹²⁶ See reference 77 above.
- ¹²⁷ ‘delegated body’ means a separate legal person to which the competent authorities have delegated certain official control tasks or certain tasks related to other official activities;
- ¹²⁸ Art. 40 5. of Regulation (EU) 2018/848
- ¹²⁹ Art. 40 1.(a) (i)-(iv) of Regulation (EU) 2018/848
- ¹³⁰ In terms of Article 138 (1) (b), (2) and (3)
- ¹³¹ Art. 40 2. of Regulation (EU) 2018/848
- ¹³² Art. 40 3. of Regulation (EU) 2018/848
- ¹³³ Art. 40 4.(a) of Regulation (EU) 2018/848
- ¹³⁴ Art. 40 4.(b) of Regulation (EU) 2018/848
- ¹³⁵ *“1. Prior to placing any products on the market as ‘organic’ or as ‘in-conversion’ or prior to the conversion period, operators and groups of operators referred to in Article 36 which produce, prepare, distribute or store organic or inconversion products, which import such products from a third country or export such products to a third country, or which place such products on the market, shall notify their activity to the competent authorities of the Member State in which it is carried out and in which their undertaking is subject to the control system.”*
- ¹³⁶ Art. 40 4. (c) of Regulation (EU) 2018/848
- ¹³⁷ Art. 40 4. (d) of Regulation (EU) 2018/848
- ¹³⁸ Art. 40 4.(e) of Regulation (EU) 2018/848
- ¹³⁹ Art. 40 6. of Regulation (EU) 2018/848
- ¹⁴⁰ Art. 40 1. of Regulation (EU) 2018/848
- ¹⁴¹ Art. 40 10. (a) of Regulation (EU) 2018/848
- ¹⁴² Art. 40 10. (b) of Regulation (EU) 2018/848
- ¹⁴³ Control authorities and control bodies in the EU/EEA/CH. Accessed at: https://ec.europa.eu/agriculture/ofis_public/r8/ctrl_r8.cfm?targetUrl=home. 21st July 2023.
- ¹⁴⁴ Art. 9 1. of Regulation (EU) 2018/848
- ¹⁴⁵ Art. 9 2. of Regulation (EU) 2018/848
- ¹⁴⁶ Article 24 and 25 and in Annex II of Regulation (EU) 2018/848.
- ¹⁴⁷ Art. 9 3. of Regulation (EU) 2018/848

- ¹⁴⁸ Art. 9 6. of Regulation (EU) 2018/848
- ¹⁴⁹ Art. 9 7. (a)&(b) of Regulation (EU) 2018/848
- ¹⁵⁰ Art. 9 10. (a)-(c) of Regulation (EU) 2018/848
- ¹⁵¹ Art. 3 (6) of Regulation (EU) 2018 *“‘conversion’ means the transition from non-organic to organic production within a given period, during which the provisions of this Regulation concerning organic production apply;”*
- ¹⁵² Art. 10 1. of Regulation (EU) 2018/848
- ¹⁵³ Art. 10 2. of Regulation (EU) 2018/848
- ¹⁵⁴ Art. 10 3. (a) of Regulation (EU) 2018/848
- ¹⁵⁵ Art. 10 3. (b) of Regulation (EU) 2018/848
- ¹⁵⁶ Art. 11 1. of Regulation (EU) 2018/848
- ¹⁵⁷ Art. 11 2. of Regulation (EU) 2018/848
- ¹⁵⁸ Art. 11 3. of Regulation (EU) 2018/848
- ¹⁵⁹ Art. 11 4. of Regulation (EU) 2018/848
- ¹⁶⁰ Art. 16 1. of Regulation (EU) 2018/848
- ¹⁶¹ Art. 28 1. (a)-(d) of Regulation (EU) 2018/848
- ¹⁶² Art. 20 (a)-(c) of Regulation (EU) 2018/848
- ¹⁶³ Art. 21 2. (b) of Regulation (EU) 2018/848
- ¹⁶⁴ Art. 25 1. of Regulation (EU) 2018/848
- ¹⁶⁵ Art. 25 3. of Regulation (EU) 2018/848
- ¹⁶⁶ Art. 25 4. of Regulation (EU) 2018/848
- ¹⁶⁷ *“Where a Member State considers that a product or substance should be added to or withdrawn from the lists of authorised products and substances referred to in paragraphs 1 and 2, or that the specifications of use referred to in the production rules should be amended, it shall ensure that a dossier giving the reasons for the inclusion, withdrawal or other amendments is officially sent to the Commission and to the other Member States and is made publicly available, subject to Union and national legislation on data protection.”*
- ¹⁶⁸ Art. 25 5. of Regulation (EU) 2018/848
- ¹⁶⁹ Points 77, 81, 93, 94, 97,98, 99,100 and 108 of the Preamble to Regulation (EU) 2018/848
- ¹⁷⁰ Art. 45 1. (a). of Regulation (EU) 2018/848
- ¹⁷¹ Art. 45 1. (b) (i)-(iii). of Regulation (EU) 2018/848
- ¹⁷² Art. 45 1. (c). of Regulation (EU) 2018/848
- ¹⁷³ Commission Delegated Regulation (EU) 2021/1697 of 13 July 2021 amending Regulation (EU) 2018/848 of the European Parliament and of the Council as regards the criteria for the recognition of control authorities and control bodies that are competent to carry out controls on organic products in third countries, and for the withdrawal of their recognition.
- ¹⁷⁴ Art. 46 3. (a). of Regulation (EU) 2018/848
- ¹⁷⁵ Art. 46 3. (b). of Regulation (EU) 2018/848
- ¹⁷⁶ Art. 46 4. of Regulation (EU) 2018/848
- ¹⁷⁷ Art. 46 5. of Regulation (EU) 2018/848
- ¹⁷⁸ Art. 46 6. of Regulation (EU) 2018/848
- ¹⁷⁹ Report by the European Commission for the European Parliament and Council. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX%3A52022DC0728>. Accessed on 23rd July 2023.
- ¹⁸⁰ *“The Commission may, in accordance with the procedure referred to in Article 37(2), recognise the third countries whose system of production complies with principles and production rules equivalent to those laid down in Titles II, III and IV and whose control measures are of equivalent effectiveness to those laid down in Title V, and establish a list of these countries. The assessment of equivalency shall take into account Codex Alimentarius guidelines CAC/GL 32.”*
- ¹⁸¹ *“For products not imported under Article 32 and not imported from a third country which is recognised under paragraph 2 of this Article, the Commission may, in accordance with the procedure referred to in Article 37(2), recognise the control authorities and control bodies, including control authorities and control*

bodies as referred to in Article 27, competent to carry out controls and issue certificates in third countries for the purpose of paragraph 1, and establish a list of these control authorities and control bodies. The assessment of equivalency shall take into account Codex Alimentarius guidelines CAC/GL 32.”

¹⁸² Art. 48 3. of Regulation (EU) 2018/848

¹⁸³ Art. 48 1. of Regulation (EU) 2018/848

¹⁸⁴ Art. 47 2. of Regulation (EU) 2018/848

¹⁸⁵ Commission Implementing Regulation (EU) 2021/2325 of 16 December 2021 establishing, pursuant to Regulation (EU) 2018/848 of the European Parliament and of the Council, the list of third countries and the list of control authorities and control bodies that have been recognised under Article 33(2) and (3) of Council Regulation (EC) No 834/2007 for the purpose of importing organic products into the Union

¹⁸⁶ Art. 45 4. of Regulation (EU) 2018/848

¹⁸⁷ Commission Implementing Regulation (EU) 2021/1378 of 19 August 2021 laying down certain rules concerning the certificate issued to operators, groups of operators and exporters in third countries involved in the imports of organic and in-conversion products into the Union and establishing the list of recognised control authorities and control bodies in accordance with Regulation (EU) 2018/848 of the European Parliament and of the Council

¹⁸⁸ Article 47 and 49 of Regulation (EU) 2017/625

¹⁸⁹ Willer, Helga; Schlatter, Bernhard and Trávníček, Jan (Eds.) (2023) The World of Organic Agriculture. Statistics and Emerging Trends 2023. Research Institute of Organic Agriculture FiBL and IFOAM - Organics International, Frick and Bonn.

¹⁹⁰ (3) of the Preamble to Commission Delegated Regulation (EU) 2021/1342 reads as: *“When placed on the Union market until the end of those transitional periods, organic products imported into the Union under those import schemes have to be produced in accordance with the production rules and subject to control arrangements equivalent to those laid down in Regulation (EC) No 834/2007 as well as with the associated implementing rules laid down in Commission Regulations (EC) No 889/2008 and (EC) No 1235/2008.”*

¹⁹¹ European Court of Auditors, ‘The control system for organic products has improved, but some challenges remain’ (2019) 4 <https://www.eca.europa.eu/Lists/ECADocuments/SR19_04/SR_organic-food_EN.pdf> accessed 25 July 2023.

¹⁹² Article 46 (4) of Regulation 2018/848.

¹⁹³ Agreement between the European Union and the Republic of Chile on trade in organic products. Available at: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:2017A1214\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:2017A1214(01)). Accessed on 28th July 2023.

¹⁹⁴ Agreement between the European Community and the Swiss Confederation on trade in agricultural products. Available at: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02002A0430\(04\)-20201101](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02002A0430(04)-20201101). Accessed on 28th July 2023.

¹⁹⁵ Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part. Available at: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:22021A0430\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:22021A0430(01)). Accessed on 28th July 2023.

¹⁹⁶ Report from the Commission to the European Parliament and the Council on the recognition of third countries for the purpose of equivalence on organic products. Available at: https://www.parlament.gv.at/dokument/XXVII/EU/125850/imfname_11205532.pdf. Accessed on 28th July 2023.

¹⁹⁷ Bradford, Anu (2012). "The Brussels Effect". Northwestern University Law Review (PDF). Columbia Law and Economics Working Paper No. 533. 107 (1).

¹⁹⁸ Article 9 1. (a) of Commission Delegated Regulation (EU) 2021/1698

¹⁹⁹ Article 9 1. (b)-(c) of Commission Delegated Regulation (EU) 2021/1698

²⁰⁰ Article 9 2. of Commission Delegated Regulation (EU) 2021/1698

²⁰¹ Article 9 2. (a)-(n) of Commission Delegated Regulation (EU) 2021/1698

²⁰² Article 9 4. of Commission Delegated Regulation (EU) 2021/1698

²⁰³ Article 9 4. of Commission Delegated Regulation (EU) 2021/1698

²⁰⁴ Article 9 6. of Commission Delegated Regulation (EU) 2021/1698

²⁰⁵ Article 9 7. of Commission Delegated Regulation (EU) 2021/1698

²⁰⁶ Article 9 8. of Commission Delegated Regulation (EU) 2021/1698

²⁰⁷ Article 9 9. of Commission Delegated Regulation (EU) 2021/1698

²⁰⁸ Article 10 1. (a) of Commission Delegated Regulation (EU) 2021/1698

²⁰⁹ Article 10 1. (b) and (c) of Commission Delegated Regulation (EU) 2021/1698

²¹⁰ Article 10 1. (d) of Commission Delegated Regulation (EU) 2021/1698

²¹¹ Article 10 2. (a) of Commission Delegated Regulation (EU) 2021/1698

²¹² Article 10 2. (b) of Commission Delegated Regulation (EU) 2021/1698

²¹³ Article 13 (a) of Commission Delegated Regulation (EU) 2021/1698

²¹⁴ Article 11 1. (a) of Commission Delegated Regulation (EU) 2021/1698

²¹⁵ Article 11 1. (b) (i)-(iii) of Commission Delegated Regulation (EU) 2021/1698

²¹⁶ Article 11 1. (d) of Commission Delegated Regulation (EU) 2021/1698

²¹⁷ Article 11 1. (e) of Commission Delegated Regulation (EU) 2021/1698

²¹⁸ Article 11 1. (f) of Commission Delegated Regulation (EU) 2021/1698

²¹⁹ Article 11 1. (g) of Commission Delegated Regulation (EU) 2021/1698

²²⁰ Article 11 2. of Commission Delegated Regulation (EU) 2021/1698

²²¹ Article 11 4. of Commission Delegated Regulation (EU) 2021/1698

²²² Article 11 5. of Commission Delegated Regulation (EU) 2021/1698

²²³ Article 12 1. of Commission Delegated Regulation (EU) 2021/1698

²²⁴ Article 12 2. &3. of Commission Delegated Regulation (EU) 2021/1698

²²⁵ Article 12 4. of Commission Delegated Regulation (EU) 2021/1698

²²⁶ Article 12 5. of Commission Delegated Regulation (EU) 2021/1698

²²⁷ "General requirements for the competence of testing and calibration laboratories"

²²⁸ Article 12 6. (a) of Commission Delegated Regulation (EU) 2021/1698

²²⁹ Article 12 6. (b) of Commission Delegated Regulation (EU) 2021/1698

²³⁰ Article 12 6. (c) of Commission Delegated Regulation (EU) 2021/1698

²³¹ Article 12 6. (d) of Commission Delegated Regulation (EU) 2021/1698

²³² Article 14. of Commission Delegated Regulation (EU) 2021/1698

²³³ Article 10 3. (a)-(e) of Commission Delegated Regulation (EU) 2021/1698

²³⁴ Article 10 3. of Commission Delegated Regulation (EU) 2021/1698

²³⁵ Article 16 1. of Commission Delegated Regulation (EU) 2021/1698

²³⁶ Article 16 2. (a) of Commission Delegated Regulation (EU) 2021/1698

²³⁷ Article 16 2. (b) of Commission Delegated Regulation (EU) 2021/1698

²³⁸ Article 16 3. (a) of Commission Delegated Regulation (EU) 2021/1698

²³⁹ Article 16 3. (b) of Commission Delegated Regulation (EU) 2021/1698

²⁴⁰ Article 16 3. (c) of Commission Delegated Regulation (EU) 2021/1698

²⁴¹ Article 16 3. (d) of Commission Delegated Regulation (EU) 2021/1698

²⁴² Article 16 4. (a) of Commission Delegated Regulation (EU) 2021/1698

²⁴³ Article 16 4. (b)-(d) of Commission Delegated Regulation (EU) 2021/1698

²⁴⁴ Article 16 5. of Commission Delegated Regulation (EU) 2021/1698

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²⁴⁷ Zorn A. Lippert C. and Dabbert S. 'Supervising a system of approved private control bodies for certification: The case of organic farming in Germany' (2012) 25(2) Food Control

²⁴⁸ European Association of Agricultural Economists (ed), 'Objectiveness in the Market for ThirdParty Certification: Does market structure matter?' (2007)

²⁴⁹ Albersmeier F. et al. 'The reliability of third-party certification in the food chain: From checklists to risk-oriented auditing' (2009) 20(10) Food Control 927

²⁵⁰ See reference 51 above.

²⁵¹ See reference 50 above.

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²⁵³ P. Krücken Organic GmbH v Commission [2020] T-565/18, [2020] (First Chamber European Court of Justice)

²⁵⁴ See reference 50 above.

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- ²⁶³ Article 32 1. (a) of Regulation (EU) 2018/848
- ²⁶⁴ Article 32 1. (b) of Regulation (EU) 2018/848
- ²⁶⁵ Article 32 2. of Regulation (EU) 2018/848
- ²⁶⁶ Article 32 3. of Regulation (EU) 2018/848
- ²⁶⁷ Article 33 1. of Regulation (EU) 2018/848
- ²⁶⁸ "1. Official certification shall result in the issuance of:
 (a) official certificates; or
 (b) official attestations in the cases provided for in the rules referred to in Article 1(2)."
- ²⁶⁹ "2. Official attestations shall:
 (a) be authentic and accurate;
 (b) be drawn up in one or more of the official languages of the institutions of the Union and, where relevant, in one of the official languages of the Member State of destination; and
 (c) where they relate to a consignment or a lot, allow the verification of the link between the official attestation and that consignment or lot."
- ²⁷⁰ Article 33 2. of Regulation (EU) 2018/848
- ²⁷¹ Article 33 3. of Regulation (EU) 2018/848
- ²⁷² Article 33 4. of Regulation (EU) 2018/848
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- ²⁷⁴ Article 33 6. of Regulation (EU) 2018/848
- ²⁷⁵ Article 46 2a (a). of Regulation (EU) 2018/848
- ²⁷⁶ Article 46 2a (b). of Regulation (EU) 2018/848
- ²⁷⁷ Article 46 2a (b). of Regulation (EU) 2018/848
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- ²⁸² Article 22 1. of Commission Delegated Regulation (EU) 2021/1698
- ²⁸³ Article 22 1. (a) of Commission Delegated Regulation (EU) 2021/1698
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- ²⁹⁰ Article 23 3 (a). of Commission Delegated Regulation (EU) 2021/1698
- ²⁹¹ Article 23 3 (b). of Commission Delegated Regulation (EU) 2021/1698
- ²⁹² Article 23 3 (c). of Commission Delegated Regulation (EU) 2021/1698
- ²⁹³ Article 23 4. of Commission Delegated Regulation (EU) 2021/1698
- ²⁹⁴ Article 22 3. (a) of Commission Delegated Regulation (EU) 2021/1698
- ²⁹⁵ Article 22 3. (b) of Commission Delegated Regulation (EU) 2021/1698
- ²⁹⁶ Point 1(a)(i) of Part A of Annex IV of Commission Delegated Regulation (EU) 2021/1698
- ²⁹⁷ Point 1(a)(ii) of Part A of Annex IV of Commission Delegated Regulation (EU) 2021/1698
- ²⁹⁸ Point 1(a)(iii) of Part A of Annex IV of Commission Delegated Regulation (EU) 2021/1698
- ²⁹⁹ Point 1(b)(i) of Part A of Annex IV of Commission Delegated Regulation (EU) 2021/1698
- ³⁰⁰ Point 1(b)(ii) of Part A of Annex IV of Commission Delegated Regulation (EU) 2021/1698
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- ³⁰² Point 1(b)(iv) of Part A of Annex IV of Commission Delegated Regulation (EU) 2021/1698
- ³⁰³ Point 1(c)(i) of Part A of Annex IV of Commission Delegated Regulation (EU) 2021/1698

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- ³⁰⁵ Point 1(c)(iii) of Part A of Annex IV of Commission Delegated Regulation (EU) 2021/1698
- ³⁰⁶ Point 1(c)(iv) of Part A of Annex IV of Commission Delegated Regulation (EU) 2021/1698
- ³⁰⁷ Article 22 3. (c) of Commission Delegated Regulation (EU) 2021/1698
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1. The first criterion is a full domestic market capitalization exceeding US\$ 2.5 billion, using primary market cap to ensure consistency.
2. The second criterion requires an annual turnover value above US\$ 1 billion to ensure sufficient trading activity.
3. The third criterion is a market development ratio surpassing 5%, calculated by dividing domestic market capitalization by GDP at purchasing power parity.

As well as Emerging Market Status, countries must fulfill all three baseline criteria and additional requirements:

1. They need a full market capitalization over US\$ 15 billion.
2. A settlement period of T+3 or better ensures efficient trade settlement.
3. debt rated investment grade by major ratings agencies reflects a country's financial stability.
4. Hyperinflation, defined as an annual consumer price index rate over 15%, should not occur.
5. Significant foreign ownership restrictions should be absent to ensure adequate exposure to stocks.

The country's currency must be freely traded to facilitate investing, without difficulties in buying, selling, or repatriating capital.

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