

Case study on the implications for low- and middle-income countries of Organic Regulation (EU) 2018/848 in the Dominican Republic



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Abbreviations/Glossary

CB: Control Body

COLEAD: Committee Linking Entrepreneurship – Agriculture – Development

EGTOP: Expert Group for Technical Advice on Organic Production, European Commission

EU: European Union

FiBL: Research Institute of Organic Agriculture/Forschungsinstitut für biologischen Landbau

GoO: Group of Operators – as defined in Art. 36.1 of Regulation (EU) 2018/848

ha: hectare

ICS: Internal Control System

OFIS: Organic Farming Information System of the European Commission

SPO: Small-scale Producer Organisation

t: metric ton

UK: United Kingdom

I. Context, objectives and methodology

I.1 Background

COLEAD and the AGRINFO programme

COLEAD is a non-profit inter-professional association whose main objective is to develop an inclusive and sustainable trade in agricultural and food products (fruits and vegetables in particular), with priority given to ACP States, between ACP States, and between these countries and the European Union.

The European Commission has entrusted COLEAD with the programme "*AGRINFO - Towards a fair, healthy and environmentally friendly food system: addressing compliance with EU regulatory and non-regulatory measures*" (FOOD 2021/427-777), to provide data and knowledge to developing and emerging countries on EU policies, regulatory and non-regulatory measures, standards and market trends that have a potential impact on the competitiveness, market access and trade dynamics of agricultural value chains linked to the EU market.

Context

On 28 June 2017, the European Parliament and the Council reached an agreement to overhaul and replace Regulation (EC) 834/2007 on the principles, aims and overarching rules of organic production and labelling. While the new Regulation focuses on the EU organic sector, it also has significant implications for third countries. The aim is to strengthen the integrity of organic production for domestic and imported products by setting the same rules for operators in the EU and worldwide.

The new organic regime brings in a fundamental change to the regulatory approach, moving from the principle of equivalence to the principle of conformity. Under the new Regulation, this means a change to a system of compliance whereby producers in third countries will have to conform to the same set of rules as those in the EU. This ensures a level playing field, as EU and non-EU products circulating on the EU market will have to meet the same standards.

There may be challenges for operators in third countries as they adapt to the new rules, and this could impact the access and trade dynamics of organic value chains linked to the EU market. In order to avoid significant/unwanted changes in trade patterns, and to ensure that third country organic suppliers (especially small-scale operators in low- and middle-income countries) are not left behind, it will be important to monitor and better understand the changes and their impact at an early stage. This will help to inform stakeholders and third country authorities, and identify possible areas for technical assistance to producers and their trade partners to facilitate the transition to the new Regulation.

The new EU Organic Regulation has been in force for EU operators since January 2022, but there is a transition period for products imported from most third countries until the end of 2024 (see Chapter 2.1 for more details). As the “compliance” system is new, the practical implications are not yet fully understood by operators, organic inspectors, consultants or the European organic trade sector.

Some of the greatest reported concerns regarding the potential impact of the new organic compliance regime are the rules on farmer groups. Historically, provisions for group certification have been very important in enabling small-scale farmers in low-income countries to access the EU organic market. Changes to group certification might affect many of these operators, creating additional technical, administrative and cost burdens. Producer groups are important in several value chains in many countries including cacao, coffee, bananas, other tropical fruits, various spices, nuts and oil seeds.

Another consequence of the loss of the equivalence provision is that third countries will have to align with agricultural practices primarily designed for European production. The extent to which this may have an impact on third country suppliers is not yet clear.

The new rules are also expected to have implications for third country competent authorities in terms of how they verify compliance, and may necessitate the development of new capacities, for example in laboratory analysis.

1.2 Objectives of the case study

The study aims to inform stakeholders and third country authorities, and identify possible needs for technical assistance among producers and their trade partners, to facilitate the transition to the new Regulation.

COLEAD selected FiBL, the Swiss Research Institute of Organic Agriculture, to implement a case study in the Dominican Republic to deliver a better understanding of the possible impacts of the changes brought in under the new EU organic Regulation on public and private actors involved in export sectors, in particular, on supply chains with significant smallholder participation and group certification.

The study aims to investigate:

- the organic sector in the Dominican Republic (key actors and organic supply chains for the European Market)
- adaptation strategies by governments, businesses and producers/producer associations to comply with the new rules
- implications (legal, organisational and financial) for key public and private sector stakeholders, in particular smallholder value chains
- measures and steps that could be taken to mitigate any risks or exploit any opportunities for organic exports associated with the new Regulation.

The intended end-users of the study are the European Commission services, potential support agencies, and key national authorities and representative bodies in the Dominican Republic.

1.3 Methodology

1.3.1 Overview of the investigation

The methodology of this study builds on earlier COLEAD impact studies, adapted from the VCA4D approach. An overview of the investigation steps is given in Figure 1.

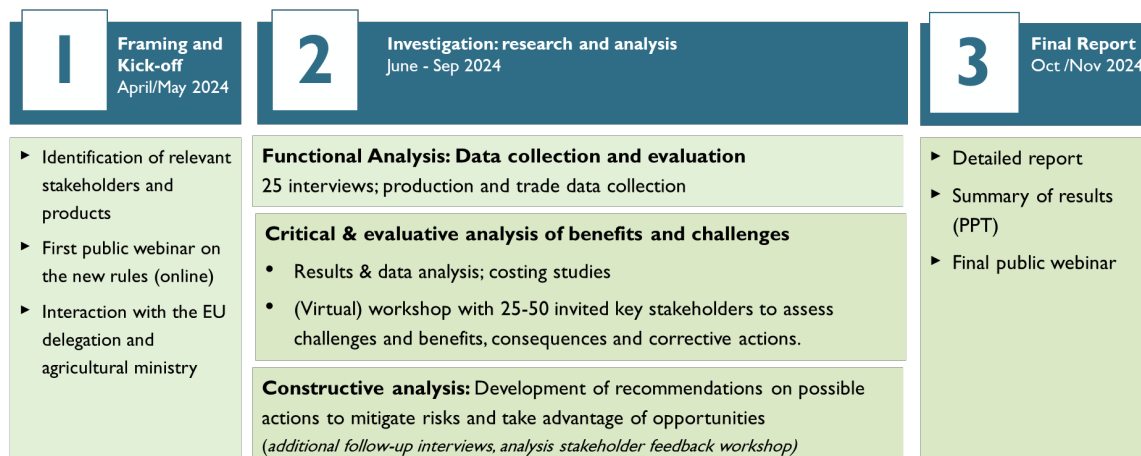


Figure 1: Overview of steps and activities

1.3.2 Framing the impacts

After an initial review of EU organic import data, a kick-off meeting was held with the COLEAD Regulations and Standards Service to agree on the scope of the study. The key target products were agreed as cacao and banana, and potentially other fresh fruits produced by exporter-organised small producer groups (lemon, mango, avocado).

The study's international and local team of experts carried out an initial mapping of supply chains and key actors in the Dominican Republic organic sector. The mapping was based on EU organic import data (TRACES data 2023), national organic production data 2023 (as provided to FiBL for the World of Organic Agriculture yearbook), initial interviews, and exchanges with the EU delegation, and the Department of Organic Agriculture in the Ministry of Agriculture.

A detailed analysis of the EU Organic Regulation (EU) 2018/848 and preliminary identification of its most significant legal provisions, policies and changes were already available at the start of this study. Since 2021, both FiBL and COLEAD have been active in legal analysis of the legislation for third-country operators to provide information, support and training to organic producer groups with regard to the new requirements.

Resources used to frame this research include the ongoing AGRINFO analysis of the EU Organic Regulation (AGRINFO, 2023); the FiBL & Agrocalidad Analysis of Impact of the new EU Organic Regulation in Ecuador for ITC, FAO and Rikolto (Meinshausen, Vergara & Santillan, 2024); the TERO/Basic study of the Costs and Benefits of the new organic regulations for the International Cacao Organisation (TERO/BASIC, 2024); and

the FiBL Study of the Impacts of the New EU Organic Regulation on Smallholder Value Chains and the EU Organic Market (Meinshausen, Richter & Huber, 2024).

Webinar on the new EU organic requirements

In preparation for the investigation phase, a public stakeholder webinar was held to provide up-to-date information on the new EU requirements for operators and groups of operators in the Dominican Republic. The webinar on 27 May 2024 was well attended, with around 150 registrations and 90 participants on the day.

A previous COLEAD-FiBL webinar on the new requirements for producer groups had already taken place in December 2022, providing a first overview of the new Group of Operators definition, the new organic production rules, and requirements for the Internal Control System (ICS). Since this time, the EU Commission provided clarification on the legal personality of a Group of Operators. Training and outreach activities in 2023 and 2024 also highlighted the need for more up-to-date guidance on selected topics and the transitional provisions for successful adaptation.

Orientated by these developments, the webinar focussed on clarifications around the new definition of a “Group of Operators” according to Art. 36(1), the adaptations needed, and the identification of changes likely to have the most significant implications for organic operators.

COLEAD AGRINFO Webinar 27 May 2024, 09:00-11:30: Update on the EU Regulation on organic production

- I. Opening by Luis Araque de Juan (EU Delegation, Dominican Republic)
- II. FiBL presentation: The new EU organic regulation and implications for producer groups
 1. Impact study and organic production in the Dominican Republic
 2. The new EU organic regulation: overview and key changes
 3. Definition of a Group of Operators
 4. Implications and adaptation to the group of operator requirements
 5. Organic production and Internal Control System (ICS) requirements
- III. Question and Answer session (1 hour)

1.3.3 Functional analysis

Stakeholder interviews

Based on initial mapping of the value chains in the Dominican Republic, key actors in the public and private sectors were selected for interview. The focus was on stakeholders who were expected to be already familiar with the new rules, in the process of adapting to them, and who could therefore evaluate expected opportunities, challenges and other implications.

23 semi-structured interviews (1-2 hours) were conducted during this stage targeting producer associations, exporters, public authorities, control bodies and other stakeholders (Table 1).

Table 1: Overview of semi-structured stakeholder interviews

Sector	Type of organisation represented	Interview focus
Public sector	Ministerio de Agricultura (Departamento de Control de Agricultura Orgánica, Departamento de Fomento de Agricultura orgánica); Ministerio de Desarrollo Rural; Ministerio Relaciones Exteriores	Role with regard to organic production; available information regarding new regulation; national coordination and efforts to support adaptation; producer and trade data; suggestions for next steps to mitigate risks and exploit opportunities arising from the changes
Private sector	8 producer organisations (3 banana, 5 cacao), all of them also exporters	Implications of Group of Operator requirements (e.g. group composition, implications of new organic production rules, business and cost implications, current status and plans for adaptation, key opportunities)
	1 banana exporter (sourcing from large farms); 1 plantation	Expected production and business implications
	2 associations representing producers organisations, without production activity	Overview information; current status of adaptation; possible options and next steps to support adaptation
Control bodies	5 control bodies	Interviews of local office representative (and often also global organic program manager): operator data; adaptation strategies; implications in banana and cacao; expected changes for 2025. Follow-up emails on selected technical topics.
NGO/ academia	1 NGO	Capacity building; support for conversion of farmers associations towards organic production; explanation of new rules; feedback on expected impacts.

Data collection

Available data on national organic production was collected and analysed to complement the information gathered through interviews. A particular objective was to gain a better understanding of the number of smallholder farmers in the country and how they are currently certified for the European market; this was necessary to help assess the need for adaptation (and its implications) among this group.

The Fairtrade International dataset for Fairtrade-Organic Small Producer Organisations in the Dominican Republic was a valuable source (notably for analysing expected implications) as it contains information on the organisations' membership composition and size. The national Department of Organic Agriculture provided 2023 production and producer data (as provided for the World of Organic Agriculture yearbook) as well as additional details on producer numbers.

Data on organic exports from the Dominican Republic to the EU were analysed using TRACES organic import statistics (2021-2023 data; European Commission, 2024).

The information gathered on organic production and exports to the EU is presented in Chapter 3.1.

1.3.4 Critical and evaluative analysis

The information collected during the interviews, together with the available data, were analysed and synthesised to produce a preliminary summary that was presented during a stakeholder workshop.

On 13 September, this workshop was held online with 54 key private and public stakeholders. During the workshop, participants discussed and evaluated the pre-identified key challenges and benefits, and the export and public sector impacts. Ideas for mitigation measures were then developed in three mixed stakeholder discussion groups.

The feedback and outcomes of the workshop discussion groups confirmed and validated the initial findings from the preliminary study regarding the key gaps and adaptation needs in organic commodities. The groups were also asked to identify key challenges and develop suggestions and ideas for measures to mitigate risks, exploit opportunities and determine suitable next steps. The results of the critical and evaluative assessment of implications, and the identified ways forward, are presented in Chapters 3.2 to 3.5.

1.3.5 Constructive analysis

The information and suggestions collected by the discussion groups during the workshop were analysed and refined in follow up conversations, and in three additional interviews with selected public and private institutions.

The results of the constructive analysis are presented in Chapter 4 "Overall conclusions and recommendations".

2. The new Organic Regulation (EU) 2018/848

2.1 The new organic regulatory framework

The new Organic Regulation (EU) 2018/848 replaced the earlier Regulation (EC) 834/2007 that had been in place since 2007. An overhaul was considered necessary for several reasons. Many existing provisions were over 20 years old and needed to be updated to reflect the major changes that have taken place in the EU organic sector. Additionally, the “patchwork of rules and derogations in place did not give sufficient certainty and security to this highly important sector of European agriculture” (European Commission, 2017).

The new EU Organic Regulation 2018/848 aims to encourage the sustainable development of organic production in the EU, guarantee fair competition for farmers and operators, prevent fraud and unfair practices, and improve consumer confidence in organic products in Europe. To meet these aims, the new Organic Regulation (EU) 2018/848 fundamentally changes the regulatory approach for third-country operations, moving from the principle of equivalence to the principle of conformity. While the earlier Regulation (EC) 834/2007 allowed organic goods to be produced in ways that were different but equivalent in terms of outcome and alignment with organic principles, the new Organic Regulation (EU) 2018/848 now requires producers in third countries to conform to the same set of rules as those used in the EU. This is intended to be fair for all producers, as everyone will have to meet the same standards (AGRINFO, 2023).

The Basic Act of Organic Regulation (EU) 2018/848 was published in 2018 and came into force in January 2022. It is supplemented by numerous “implementing” and “delegated” acts. “Delegated Amending Regulations” modify either the Basic Act or secondary regulations, and these changes are later incorporated into “consolidated versions” to facilitate the consultation. However, the original amending regulations remain the legally binding text.

Many secondary acts contain key rules for third-country producers and are important to read and comply with, in addition to the consolidated version of Regulation (EU) 2018/848 (Figure 2). In particular, Regulation (EU) 2021/1698 sets the requirements for recognition of control bodies and control procedures in non-EU (third) countries such as the Dominican Republic.

Regulation (EU) [2018/848](#) and all secondary regulations are explained on the AGRINFO website ¹ and are available in [EUR-LEX](#)² in all EU languages. Following the link to the “current consolidated version” is recommended, if available.

¹ <https://agrinfo.eu/book-of-reports/new-eu-organic-regulation-explained/>

² <https://eur-lex.europa.eu/eli/reg/2018/848/oj>

2.2 Transition from “Equivalence” to “Compliance”

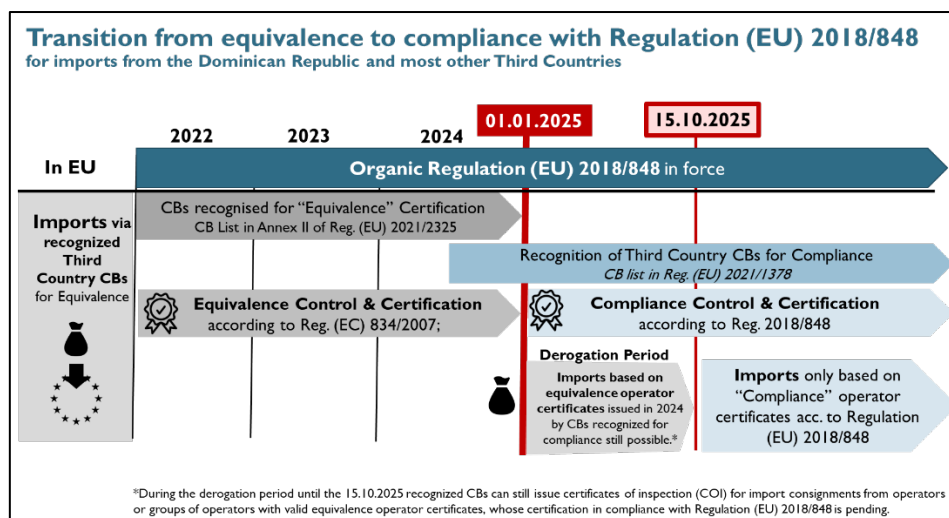
One of the key changes in Organic Regulation (EU) 2018/848 is the shift from "equivalence" to "compliance" for imported organic products. A 3-year transition period, ending on 31 December 2024, was provided for third-country control bodies (already recognised for equivalence) to move to compliance. During this transition period, organic certification of imports could continue under the equivalence regime of the previous Organic Regulation (EC) 834/2007.

A longer transition period (until 31 December 2026) applies to organic imports from the 14 countries whose national organic systems are recognised by the EU for equivalence or through trade agreements³.

EU imports of organic products from the Dominican Republic are currently certified under the scheme for Third Country Control Bodies recognised for the purpose of compliance (listed in Annex II of in Regulation (EU) 2021/2325). The transition period for organic certification to change to compliance therefore ends on 31 December 2024.

All control bodies (CBs) active in third countries were required to apply for recognition under the compliance scheme according to Regulation (EU) 2021/1698. The first batch of recognised bodies was published in June 2024, with updates ongoing. As of 31 October 2024, a total of 43 third-country CBs had been recognised for certification in compliance with the new Regulation (EU) 2018/848, i.e. added to Annex II of Regulation (EU) 2021/1378.

Figure 2: Transition from “equivalence” to “compliance”



³ Imports from the 14 “recognised countries” listed in Annex I of Regulation (EU) 2021/2325 for the purpose of equivalence (e.g. USA, Japan, India, Costa Rica) or with a trade agreement on organic products (e.g. Switzerland, Chile, UK) have a transition period until end of 2026 (for recognised products categories and CBs) to negotiate a trade agreement on organic products or change to compliance. Product categories or activities not covered by the recognition or by a trade agreement must be controlled and certified according to compliance from 1 January 2025.

Status of CB recognition and compliance control in the Dominican Republic

Five CBs were interviewed for the study. Of these, by August 2024 three of these had already been recognised for compliance. Two were in progress and awaiting final approval, and were later added to the list in October 2024. At the time of writing, all six major CBs active in the Dominican Republic were recognised for control under the new compliance scheme (see also Chapter 3.1.3).

Until at least September 2024, all inspections and certifications in the Dominican Republic (and other third countries) were still conducted under the equivalence scheme for third-country CBs. The CBs interviewed in August 2024 indicated they aimed to finalise all producer group audits in good time in order to issue the groups' equivalence certificates before 31 December 2024. They planned to fully change to "compliance" inspections according to Regulation (EU) 2018/848 in October or November 2024.

To avoid trade disruptions for the many suppliers who are still certified under equivalence, the EU has revised Regulation (EU) 2021/1698 with the publication of Regulation (EU) 2024/3095 to introduce a temporary derogation (exemption) until 15 October 2025 to allow for an orderly transition into the compliance scheme.

During this period, CBs will be able to issue certificates of inspection for consignments supplied by operators and groups of operators that are still certified under the old equivalence regime, provided that:

- the CB is recognised under the new compliance regime
- the operator or group of operators has a valid organic certificate under the equivalence regime, and
- their application for certification under the new compliance regime is pending.

From 1 January 2025, no operator certificates under equivalence can be issued.

The rules mean that all organic producer groups and most operators in the Dominican Republic (and most other third countries) will be inspected under the new compliance scheme in 2025 for the first time and must correct any non-conformities identified during the audit. Their new organic compliance certificates must be ready by 15 October 2025. If not, their products can no longer be imported as organic into Europe from 16 October 2025.

2.3 New Group of Operators requirements

Certification of smallholder producer groups under the equivalence system was restricted to low-income countries. Under the new compliance regime, the same set of rules apply in the EU and in non-EU countries, so it was necessary to formalise the producer group rules. The regulation introduced and defined a new concept for "Groups of Operators" for small farmers in the European Union "in order to reduce the inspection

and certification costs and the associated administrative burdens, strengthen local networks, contribute to better market outlets and ensure a level playing field with operators in third countries". The new legal definition and rules also addressed concerns about the quality of group certification in third countries, particularly in the case of very large producer groups (AGRINFO, 2023).

A "Group of Operators" is now defined with very specific characteristics in Art. 36.1 of the Regulation, and only a producer group that meets all elements of the new definition can be certified as a "Group of Operators". If the requirements are not fully met, the only other remaining option for organic certification is individual operator certification.

Regulation (EU) 2018/848 Art. 36 (1.): Each Group of Operators shall:

- (a) only be composed of members who are farmers** or operators that produce algae or aquaculture animals and who, in addition, may be engaged in processing, preparation or placing on the market of food or feed;
- (b) only be composed of members**
 - (i) of which the individual certification cost represents more than 2% of each member's turnover or standard output of organic production **AND** whose annual turnover of organic production is not more than €25000 or whose standard output of organic production is not more than €15,000 per year; **OR**
 - (ii) who have each holdings of a maximum of 5 hectares, 0.5 hectares in the case of greenhouses, or 15 hectares in the case of permanent grassland;
- (c) be established in a Member State or a Third Country;**
- (d) have legal personality;**
- (e) only be composed of members** whose production activities or possible additional activities referred to in point (a) take place **in geographical proximity to each other in the same Member State or in the same Third Country;**
- (f) set up a joint marketing system for the products produced by the group; and**
- (g) establish a system for internal controls** comprising a documented set of control activities and procedures in accordance with which an identified person or body is responsible for verifying compliance with this Regulation of each member of the group. *(+various subpoints in the section on ICS procedure)*
- (h) appoint an ICS manager and one or more ICS inspectors who may be a member of the group.** *(+ various details in section h on the role of ICS manager & inspectors)*

Reg. (EU) 2021/279 Art. 4: Composition and dimension of a Group of Operators

A member of a Group of Operators shall register to only one Group of Operators for a given product, also where the operator is engaged in different activities related to that product.

The maximum size of a Group of Operators shall be 2,000 members.

For producer organisations and exporter-organised groups in third countries, as well as organic experts, the new definition and its far-reaching implications are difficult to understand when reading the regulatory text.

In June 2023, the EU Commission clarified several key questions concerning Groups of Operators in its document entitled “[Frequently asked questions on Organic Rules](#)” (Q&A numbers 8 to 13 in Section 3 of the document). The answers specify that a Group of Operators cannot have non-organic statutory members or members that do not fulfil all the criteria of Art. 36.1, and clarify the requirement of “legal personality” and processing activities in a Group of Operators.

These clarifications have been considered in the IFOAM Guidance on smallholder group certification according to the new Regulation (IFOAM – Organics International, 2023) and all FiBL and COLEAD training courses on the new rules. Figure 3 shows the simplified⁴ explanation of the resulting definition used to explain the new rules to third country producers and stakeholders.

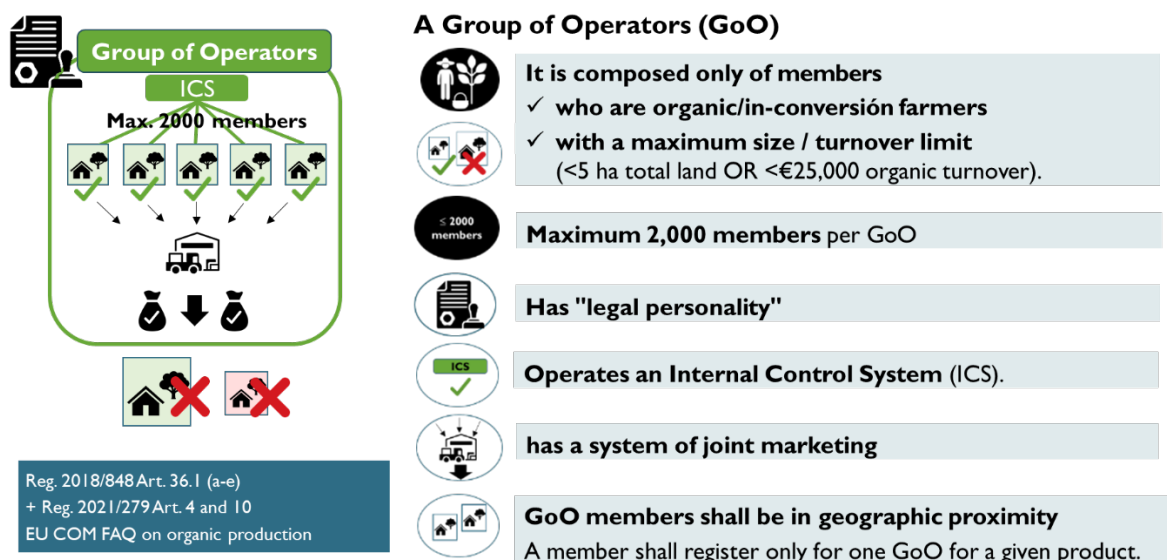


Figure 3: Group of operation definition simplified for training purposes

2.4 New organic production rules

The production rules of Regulation (EU) 2018/848, with which operators and Groups of Operators (including their members) must comply, can be found in Part III of the Regulation with Annex II (Detailed production rules) and Annex III (Rules for collection, packaging, transport and storage of organic products, relevant also for the joint

⁴ The simplification of Art. 36(1)(b) to “farm size < 5 ha OR organic turnover < €25,000” applies in all third countries where the cost of individual certification is more than €500 (€500 = 2% of €25,000). This is the case in all third countries with group certification, including the Dominican Republic.

marketing and traceability system in Groups of Operators), and several secondary acts. Some rules, in particular regarding authorisation derogations, are regulated slightly differently in third countries in Regulation (EU) 2021/1698.

The production rules of Regulation 2018/848, with which operators and Groups of Operators (including their members) must comply, can be found in Part III of the Regulation Annexes II and III, and several secondary acts. Some rules, in particular regarding authorisation derogations, are regulated slightly differently in third countries in Regulation (EU) 2021/1698.

Compared to the previous organic regulation, some rules have become stricter (e.g. with regard to use of non-organic plant reproductive material, retroactive recognition of conversion or crop rotation/use of leguminous plants). In addition, many producers and groups in third countries will experience the rules as being more challenging as they will need to comply with the exact same set of rules as applied to EU operators in all details, without the possibility of an “equivalent” approach. Indeed, unlike the “equivalence” approach, the new compliance approach no longer allows for any adaptations to local conditions or circumstances unless specified explicitly by legislation (e.g. in adapted control rules for third-country application).

During the webinar held in May 2024, a simplified overview of production rules was presented to stakeholders in the Dominican Republic. A particular focus was given to requirements that FiBL identified as now being more challenging in third countries because they are new, or because they were previously implemented differently under equivalence. Details on these changes were explained to participants, and the slide deck was subsequently shared (in Spanish). They concern the following requirements:

Authorised products and substances

One important change concerns the authorisation and use of products and substances, where the implications are significant and not yet well-known internationally.

Implementing Regulation (EU) [2021/1165](#) authorises products and substances that can be used in organic production and includes the following Annexes:

- **Annex I:** Active substances contained in plant protection products authorised for use in organic production. Substances listed in Annex I must be approved in the “horizontal” EU pesticide legislation (Regulation (EC) [1107/2009](#)), and can only be used according to the conditions of use approved in the EU.
- **Annex II:** Authorised fertilisers, soil conditioners and nutrients.
- **Annex IV:** Authorised products for cleaning and disinfection.
- **Annex VI:** Products and substances authorised for use in organic production in third countries (Regulation (EU) 2018/84, Art. 45(2)). Substances can be added to Annex VI for use in third countries when there are justified reasons (e.g. for a pest not present in the EU). Listed substances do not need to be approved for use in the EU, but must comply with EU pesticide maximum residue limits.

Only products and substances explicitly authorised in Regulation (EU) 2021/1165 may be used in organic production. This means that certain substances previously accepted in third countries under the “equivalence” regime are no longer permitted. For example, only a few plant extracts are listed in Annex I and none in Annex VI. Many local plant extracts used traditionally in third countries may, therefore, no longer be used as active substances in plant protection products.

Regulation (EU) 2021/1165 outlines the application process that must be followed to add substances to Annex VI of the Regulation for use in third countries. Annex VI is currently empty, but dossiers have been submitted to add three substances, which are undergoing the evaluation process by the Expert Group for Technical Advice on Organic Production (EGTOP).

In summary, plant protection products may only be used if the active substance is approved in the EU (or listed under Annex VI), if the product is registered in the country where it is used, and if the conditions of use are followed. Many substances used in plant protection (especially plant extracts and microorganisms) in third countries do not meet these criteria.

The [EGTOP Final Report on Plant Protection \(IX\)](#)⁵ (EGTOP, 2023) analysed problems that may arise concerning the use of many plant extracts and microorganisms in third countries, and proposed amendments to Regulation (EU) 2021/1165. As of November 2024, a draft amendment of Regulation 2021/1165, which is currently under consultation with EU member states, would resolve the situation with regard to the use of local microorganisms. However, it is already clear that some local plant extracts used in third countries under equivalence are not listed in Annex I or Annex VI. If operators still need to use these as active substances in plant protection products, dossiers for each plant extract will need to be prepared and submitted to the EU for listing in Annex VI. COLEAD is supporting dossier submission in situations where implications are significant.

Other changes of the organic production rules

The webinar provided an overview of the new production rules for plant products, indicating the relevant sections of regulatory text where the requirements can be seen in detail. The experts highlighted several changes as being new or previously implemented differently under equivalence:

- New rules and procedures for retroactive recognition of the conversion period (*Art. 10 of Regulation (EU) 2018/848; and, for third countries, Art. 24 of Regulation (EU) 2021/1698*).
- Stricter rules for parallel production of the same crop in the organic (or in-conversion) unit and the non-organic unit (*Art. 9(8) of Regulation (EU) 2018/848*).

⁵ https://agriculture.ec.europa.eu/document/download/5a183a99-2e86-4add-a0ae-27fc519e5c11_en?filename=egtop-report-ppp-ix_en.pdf

- Use of non-organic seeds and planting materials (*Annex II, Part I, 1.8 in Regulation (EU) 2018/848*) and for authorisation of the use of non-organic planting materials in third countries (*Art. 25 of Regulation (EU) 2021/1698*).
- Requirements on crop rotation and crop diversity (*Annex 2, Part I, 1.9.2*).
- Documentation and separation of production units for members in a Group of Operators (*Art. 9(2) and 9 (8) and Art. 3 (Definitions) of Regulation (EU) 2018/848*) and *Art. 5 of Regulation (EU) 2021/279* for the information in the list of members of a group of operators.

2.5 New organic control requirements and procedures

The external control of Operators and Groups of Operators under the new Regulation is outlined in particular in Art. 38 and 35 of Regulation (EU) 2018/848, as well as in secondary Regulation (EU) 2021/1698 specifically for control in third countries (Art. 9-12).

New rules for control of Groups of Operators

Regulation (EU) 2021/279 and Regulation (EU) 2021/771 provide additional details for the controls of Groups of Operators.

The control of a Group of Operators primarily assesses the efficiency of the Internal Control System (ICS) and its compliance with all relevant regulations. The ICS is responsible for ensuring that all members adhere to organic production rules. As part of the audit, at least 5% of members (with a minimum of 10 farms) are re-inspected by an external inspector, and some internal inspections are observed. The group audit also includes a verification of the joint marketing system (as required in Art. 36 (1) (f) of Regulation (EU) 2018/848) and the procedures for the collection, transport and storage of organic products from members until sales by the Group of Operators⁶. During the evaluation of the ICS, the control body also verifies the internal traceability for all products⁷. Additionally, each year, at least 2% of the members in every Group of Operators are selected for sampling.

Regulation (EU) 2018/848 defines detailed requirements for the ICS (and ICS records to be kept) in Art. 36 (1) (h) and (g) and in the secondary Regulation (EU) 2021/279, Art. 5 and 6. There is a new explicit requirement (in Art. 36.2) that the control body shall withdraw the certificate for the whole group where deficiencies of the ICS affect the integrity of organic products, with a detailed list of deficiencies.

High-risk country/product list

⁶ Rules in Annex III of Regulation (EU) 2018/848; control in third countries: Regulation (EU) 2021/1698 Art. 9 (1) and (9).

⁷ ICS procedures on internal traceability according to Art. 36 (1) (g) (vii) Control in the EU and Third Countries: Regulation 2021/771 Art. 2 (2) (i)

Regulation (EU) 2021/1698 establishes a list of “high-risk products and countries” in Art. 8, and higher control and sampling requirements for these high-risk products in Art. 9 and 16. Operators and Groups of Operators of high-risk products (country and product combination) will be subject to inspection twice a year and subject to higher sampling, with defined percentages of consignments to be sampled in the country of origin and/or in the EU member state. The rules for sampling and import checks of high-risk products in Regulation (EU) 2021/1698 have been amended by Regulation (EU) 2024/2975.

The first high-risk product list, according to Art. 8 for Regulation (EU) 2021/1698, will be published as an implementing act later in 2025. For 2025, control in third countries the Commission’s system of additional measures by letter to recognised CBs continues.

In a letter to CBs dated 3 December 2024, the European Commission listed bananas from the Dominican Republic as a high-risk product subject to additional control and reporting measures in 2025. Two physical inspections of banana operators and Groups of Operators will be required per year, one of which should be unannounced. The control body must also take at least one field crop sample per year. Additionally, a minimum of 5% of all banana consignments to the EU are subject to checks and sampling in the Dominican Republic. The control body should not issue the certificate of inspection (COI) for the consignment before it has received and assessed the result of the analysis (i.e. before the shipment leaves the country).

Measures in the event of suspected/confirmed presence of unauthorised substances

Measures to be taken in the event that the competent authority (in the EU), or the control body/control authority, received substantiated information about the presence of unauthorised substances in an organic or in-conversion product are described in Art. 29 of Regulation (EU) 2018/848.

Additionally, Art. 27 of Regulation 2018/848 describes new explicit “obligations and actions in the event of suspicion of non-compliance” by the operator, and Art. 28.2 describes measures to be taken by the operator in case of the presence of unauthorised substances.

A new “[A Vade Mecum on Official Investigation in Organic Products](#)” (Verlet, Neuendorff et al., 2024) provides a helpful overview of contamination sources and pathways of organic products, detection and official investigation.

3. Results

3.1 The Dominican Republic's organic sector

3.1.1 EU Imports from the Dominican Republic

The Dominican Republic used to be the second most important supplier of organic bananas to the European Union (by volume) but dropped to third in 2023. In 2023, the country's market share of the European organic market was 7.7%, compared to a market share of 9.2% in 2022.

The most important organic products imported into the EU from the Dominican Republic are banana and cacao, but also avocado, lemon, mango and rum. As shown in **Table 2**, the volumes of banana, cacao and avocado decreased from 2022 to 2023. For lemon, mango and rum, the imported volume increased.

Table 2: EU Organic Imports from the Dominican Republic 2021-2023

EU Organic Imports from the Dominican Republic 2021-2023				
		Year - Sum of Volume (t)		
CN code	Description	2021	2022	2023
08031010	Plantains, fresh	144	350	
08039010	Bananas, fresh (excl. plantains)	231,253	224,470	171,449
08044000	Fresh or dried avocados	1,924	1,479	1,130
08045000	Fresh or dried guavas, mangoes and mangosteens (<i>Note: mainly mango</i>)	522	232	430
08055010	Fresh or dried lemons " <i>Citrus limon, Citrus limonum</i> "	1,187	760	1,043
08055090	Fresh or dried limes " <i>Citrus aurantifolia, Citrus latifolia</i> "	3		4
09011100	Coffee (excl. roasted and decaffeinated)		2	11
18010000	Cacao beans, whole or broken, raw or roasted	29,440	23,684	17,356
18031000	Cocoa paste (excl. defatted)	167	77	48
18040000	Cacao butter, fat and oil	108	224	283
22084011 22084031	Rum (<i>2 specifications</i>)	54	24	36
Total volume (t)		265,075	251,378	191,788

Source: data from 2023 Analytical brief 4 EU Organic Import Tables (European Commission, 2024)

As shown in Table 3, the Dominican Republic is still the EU's most important supplier of organic cacao beans. In 2022, it supplied 32.6% of total organic cacao bean imports to the EU and 31% in 2023.

Table 3: EU Organic cacao bean imports - top 5 export countries 2021-2023

Cacao beans (CNI8010000)	Year, Sum of Volume (t)		
Export country (top 5 export countries)	2021	2022	2023
Dominican Republic	29,440	23,684	17,356
Sierra Leone	15,161	13,795	11,674
Congo, Democratic Republic of	9,518	10,869	8,061
Peru	10,318	7,701	6,666
Uganda	3,060	6,222	4,705
Total imports (all export countries)	76,848	72,573	56,022

Source: data from 2023 Analytical brief 4 EU Organic Import Tables (European Commission, 2024)

The Dominican Republic is the EU's second most important banana supplier after Ecuador, see Table 4. In 2022, it supplied about 32% of all EU fresh banana imports and about 25% in 2023.

Table 4: EU banana imports top 6 export countries 2021-2023

Banana CN 08039010:	Year, Sum of Volume (t)		
Export country (top 6 export countries)	2021	2022	2023
Ecuador	313,569	315,933	330,729
Dominican Republic	231,253	224,470	171,449
Peru	96,836	76,024	78,414
Colombia	34,646	48,703	65,073
Côte d'Ivoire	23,628	23,924	30,601
Ghana	20,290	16,616	20,909
Total sum (all export countries)	720,335	705,760	697,341

Source: data from 2023 Analytical brief 4 EU Organic Import Tables (European Commission, 2024)

3.1.2 Organic production and trade with the EU

Organic production in the Dominican Republic

The latest data on organic production in the Dominican was provided to FiBL by the Department for Organic Agriculture for the preparation of the 2023 statistical yearbook “The World of Organic Agriculture” (to be published in 2025). The data collection on organic production does not distinguish between different organic regulations or standards (i.e. not all producers and areas reported as organic are necessarily certified in equivalence to the EU Organic Regulation). Given the Dominican Republic’s strong focus on the EU organic market, it is reasonable to assume that the majority of certified organic operators are certified for the European market. Nevertheless, some may be certified for the domestic market only.

Further data analysis, using also data and information collected in interviews, produced the following overview of organic production, as shown in Figure 4.

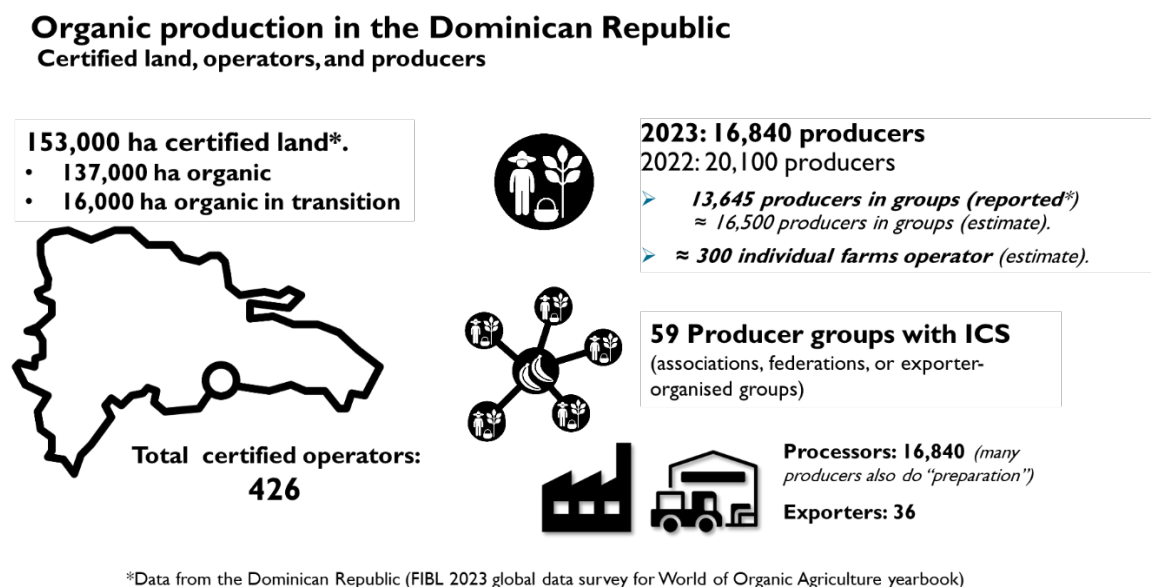


Figure 4: Organic production in the Dominican Republic

There is some ambiguity about how many producers in the Dominican Republic are certified as individual farm operators and how many are certified in producer groups. The same applies to most other third countries with producer group certification. Some CBs report only the number of producer groups (as certified “operators”) and not the number of producers certified in those groups, while others report the total number of agricultural producers (individually certified and group members). Double-counting of producers for multiple crops is also very common.

The number of producers operating either in groups or under individual certification was therefore estimated by the authors, based on data CBs provided during interviews, as well as a critical analysis of available production data (as shown in Figure 4).

Most important organic crops and certified surfaces

Table 5 provides an overview of cultivated organic crops, area and volume of production as reported for the 2023 data collection for the statistical yearbook “The World of Organic Agriculture”.

Table 5 Dominican Republic organic crops, surface and volume of production
Source: Data collection 2023

Crop/land use and production	Agricultural land in conversion (ha)	Fully converted agricultural land (ha)	Total organic agricultural land (ha)	Harvested agricultural land (ha)	Volume of production (t)
<i>Agricultural land no details available</i>	16,327.3	136,836.4	153,163.6	125,214.1	732,092.4
Arable crops	100.0	33,684.9	33,784.9	33,684.9	617,250.7
Hemp	100.0	100.0	200.0	100.0	1,205.5
Sugar cane		100.0	100.0	100.0	1,205.5
<i>Arable crops, no details</i>		33,484.9	33,484.9	33,484.9	614,839.7
Permanent crops	15,437.9	135,592.4	151,030.2	33,850.6	720,199.4
Cocoa	14,646.0	98,889.4	113,535.4	91,719.29	92,881.0
Bananas	142.8	33,384.9	33,527.7	30,649.5	619,156.8
Coconuts		1,256.0	1,256.0	1,256.0	5,266.4
Coffee	506.3	799.0	1,305.3	799.0	391.0
Avocados		526.7	526.7	526.7	3.6
Macadamia		450.0	450.0	450.0	10.0
Mangoes		198.0	198.0	81.0	1,382.0
Lemons and limes		80.1	80.1	80.1	1,017.5
Soursop		8.2	8.2	8.2	91.1
<i>without details</i>	142.8		142.8		
Unused land		1,144.0	1,144.0		

This data highlights the importance of organic cacao and banana production, which are also the most important crops in terms of producer group certification. According to information provided by the Department of Organic Agriculture, there are 16,009 organic cacao producers and 1,036 organic banana producers certified in groups. Information from the interviews indicated that some of these producers grow both cacao and banana. The total number of producers in groups is therefore likely to be lower than the combined total of both figures (17,040) and estimated to be around 16,500, as indicated in Figure 4 (above). For more information about cacao production characteristics, see Chapter 3.1.4; for banana production characteristics, see Chapter 3.1.5.

It was initially assumed that some other horticultural crops (lemon/lime, mango, avocado) were produced and certified at least to some extent in exporter-organised groups, or plantations with associated farmers (“outgrowers”), as this is a common certification set-up for horticulture crops in many countries. However, the interviews and additional data provided by CBs indicate that these crops (other than banana) seem to be mostly or entirely produced on larger farms certified as individual farm operators, working in “clusters” with national exporters, or directly exporting to the European market.

According to World of Organic Agriculture data, 250,977 tons (98%) of organic products were exported to the EU in 2022 and only 3,878 tons to the US (Willer et al., 2024). Information from an interview with Ministry of Agriculture officials suggested that in the cases of cacao and banana, more than 80% are exported to Europe. The US and other organic export markets are less important. Other interviews confirmed that organic exports are primarily oriented towards the European market, but the domestic market is also relevant and attractive for producers.

3.1.3 Key public and private sector stakeholders

Public sector key actors for organic production and trade

The Department of Control of Organic Agriculture (Departamento de Control de Agricultura Orgánica) in the Ministry of Agriculture is the competent authority for organic production. It controls and oversees the work of organic CBs active in the country. According to information received during interviews, the supervision of CBs' work (including shadow audits) verifies that the EU Regulation is implemented correctly, as this is the standard to which most operators in the country are certified.

The Department of Organic Agriculture (Departamento de Agricultura Orgánica) is responsible for promoting and fostering organic agricultural practices. It organises workshops, training and technical assistance on organic farming methods, and outreach to community groups, producers and educational institutions to promote organic agriculture through projects. The Department also prepares proposals for subsidies to

the National Council for Organic Agriculture. The government extension service for organic farmers does not provide any detailed technical advice on foreign organic regulations such as the EU Organic Regulation. The Department supports producers with some questions about the use of organic inputs, and this role may be strengthened in 2025.

The Directorate for Inspection and Certification of Organic Products (Dirección de Certificaciones DICERT) in the Ministry of Agriculture operates an organic inspection and certification programme for the domestic market, which is not yet accredited for the export market.

The **Consejo Nacional de Agricultura Orgánica** (National Council on Organic Farming) is a body that operates to support the organic sector, coordinating efforts between various stakeholders such as government agencies, organic producers and organisations. It has a consultative and policy-oriented role, helping to shape and promote organic agriculture policies at the national level

Though not directly involved, other government departments also play an important role and are affected by the changes in the organic regulatory requirements and/or organic trade, including Vice Ministry of Agricultural Social Development (Viceministerio de Desarrollo Social Agropecuario) in the Ministry of Agriculture; the Ministry of External Affairs (Ministerio de Relaciones Exteriores), the Ministry of Industry and Trade (Ministerio de Industria y Comercio) or the Ministry of Economy, Planning and Development (Ministerio de Economía, Planificación y Desarrollo). These divisions or ministries were also interviewed for the study or invited to the workshop.

Concerning Regulation (EU) 2018/848, the Department of Promotion of Organic Agriculture and the Department of Control of Organic Agriculture spearheaded a national multi-stakeholder initiative to support the sector's transition to the new Regulation. Several meetings have been held with CBs, key private sector actors, and government representatives from all regions to identify the main challenges and potential solutions. This national action plan project was nearing completion at the time of finishing this study. Figure 5 summarises the role of key public sector actors with regard to organic production in the country and adaptation to Regulation (EU) 2018/848.

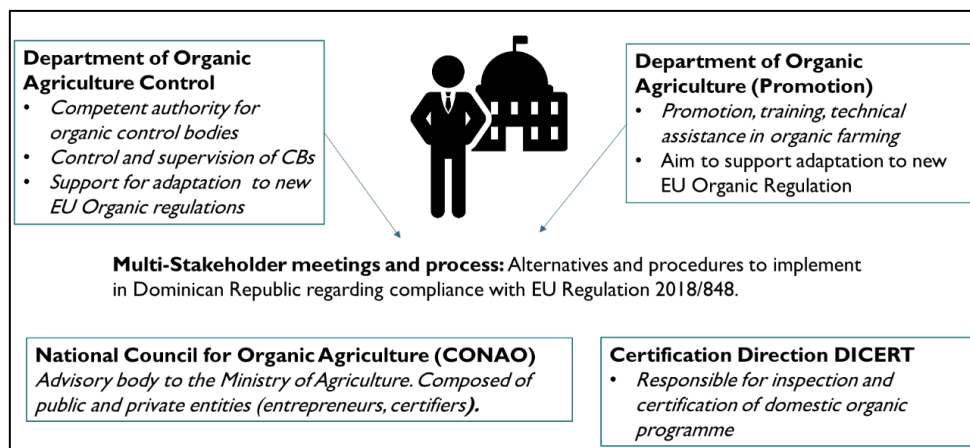


Figure 5: Public sector key actors in organic farming and their role in adaptation to the new EU Organic Regulation

The final report on the national action plan was sent to FiBL at the end of November 2024. Key results were summarised in the AGRINFO Webinar on the Status of Adaptation in the Dominican Republic on 6 December 2024.

The action plan titled “Alternativas de Apoyo a los Productores Orgánicos Impactados con la Implementación del Nuevo Reglamento (UE) 2018/848” aims to support Dominican organic producers in adapting to the new EU Organic Regulation. The plan identifies key challenges, including the exclusion of producers with over 5 ha or €25,000 in organic sales, limited knowledge of the new Regulation, increased certification costs, insufficient technical expertise, and resource limitations for implementing the new standards. Additional issues include restrictions on farm inputs, economic difficulties for operator groups, and capped group membership at 2,000 members.

To address these challenges, short-term solutions include financing options through flexible credit lines, training programs via field schools to enhance compliance, and cost reductions through collaboration with certifying agencies and incentives for exporters. Key implications highlight a potentially significant reduction in organic producers and lower sales volumes. Moving forwards, the plan prioritises securing budgets for proposed solutions and coordinating efforts with national and international institutions to ensure effective implementation (Ministry of Agriculture, 2024).

Organic Control Bodies in the Dominican Republic for the EU market

The most important organic CBs in the Dominican Republic are KIWA, IMOCert Latinoamerica, CERES, Control Union, QCS and Mayacert. All have local inspection offices. All of these CBs are now recognised for compliance with Regulation (EU) 2018/848.

The headquarters of these organic CBs (responsible for establishing the certification policies and procedures) are either located in Europe (CERES, KIWA, Control Union), the United States (QCS) or within the region (Mayacert, IMOCert). European CBs

typically manage organic certification in Latin America through regional offices in countries such as Peru and Ecuador. Interviews for this study generally included one or two regional staff members, along with the regional or European organic program managers.

Regulation (EU) 2021/1698 defines the EU's procedural requirements for recognising CBs qualified to perform compliance controls in third countries, as well as the rules governing their supervision and specific control procedures.

All organic CBs operating in the Dominican Republic are private companies accredited by public accreditation bodies (e.g. the German Accreditation Service (DAKS) for companies based in Germany) to conduct inspections and certifications globally under the EU organic regulation. The CBs are recognised and supervised by the European Commission (DG AGRI).

National authorities in third countries, such as the Dominican Republic (whose control system is not recognised by the EU; see Chapter 2.2), have no formal oversight responsibilities under the EU Organic regulatory framework. Nonetheless, the support of national authorities remains valuable in facilitating effective and harmonised implementation for both operators and CBs.

Private sector

The most important private sector stakeholders are individually certified organic farms (plantations with or without their own processing/export activities), organic producer organisations and their members, as well as organic exporters and traders.

So far, under the old equivalence regime, certified producer groups can have the following legal forms and set-ups, and this is relevant with regard to the new Group of Operator requirements and adaptation options:

- Farmer Organisations with ICS, such as farmers cooperatives or farmers associations. Farmers' organisations can be either primary producer organisations (e.g. a farmers' cooperative) or secondary/tertiary producer organisations (e.g. a union or federation of primary producer associations). The farmer organisation organises the ICS and is the organic certificate holder
- Processor/exporter-organised groups with ICS. An exporter and/or processing company (or a plantation) contracts small farmers for organic production and buys their organic products for exports. The trader usually trains the farmers, operates the ICS, and owns the organic certificate. Sometimes the trader works with one or several existing farmers' associations (with or without legal personality) with a varying degree of commercial autonomy and responsibilities for ensuring compliance with organic rules. Still, these groups may be listed under the company's organic certificate, i.e. they are not certificate holders. This type of producer group is sometimes referred to as "contract production" (e.g. in the Fairtrade Contract Production Standards). This form is the most opaque in statistics as, currently, the exporter tends to be listed as a certified "exporter" and

not as a “producer group”, but overall this set-up does not seem common in the Dominican Republic. Instead, exporters often seem to work closely with associations who are the certificate holders, but who depend on the exporter for many key processes.

There are also umbrella organisations that group several producers and/or producers associations e.g. Junta Agroempresarial Dominicana (JAD). There is also CONFENAGRO (Confederación Nacional de Productores Agropecuarios), representing over 70 affiliated groups, including more than 300,000 farmers and livestock producers across the country. There are also three “Clusters” for mango, lemon and fresh fruits, which group different value chain actors for the respective product(s).

Others (NGO, Academia)

Fairtrade Certification is very prominent in the Dominican Republic. CLAC, the Fairtrade Producer Network for Latin America, is very present and active in supporting Fairtrade-Organic producer organisations to adapt to the new Organic Regulation. The network engaged in discussions about the requirements and held several trainings and meetings on the new organic rules for producer organisations. Other important NGOs include Plan Sierra and CEDAF.

The Public University UASD, and the University Evangelica UNEV, also have expertise in sustainable and organic farming in general.

3.1.4 Overview cacao sector

The Dominican Republic is by far the EU’s most important supplier of organic cacao beans, exporting approximately 23,684 tons to the EU in 2022, and 17,350 tons in 2023. In addition, the country exported 48 tons of cacao paste and 283 tons of cacao butter in 2023.

Cacao production engages the largest number of organic producers in the country, with around 16,000 organic cacao farmers organised in groups (Government data, 2023). These farmers typically belong to smallholder producer organisations, many of which have fewer than 2,000 members, although some have significantly larger memberships. Most of the organisations interviewed in this study include both organic members and members who are not part of the organic programme.

Fairtrade producer organisation data offers further insights. There are six Fairtrade-Organic-certified cacao producer groups in the Dominican Republic, with 12,000 organic members (Fairtrade International data, 2022). This indicates that approximately 75% of the country’s small-scale organic cacao production is also Fairtrade certified.

Interviews revealed that a significant proportion of farmers, between 10% and 50%, manage more than 5 ha of cacao. Typically, organic sales to their group remain below the €25,000 per year threshold, but the recent surge in international cacao prices may have caused some farmers to exceed this limit last season (though not on average over the past two years). Many farmers do not sell their entire cacao production as organic,

especially during periods of high market prices, opting instead to sell part of it as conventional cacao to other traders. These transactions shall be recorded in the ICS and traceability system but are not counted towards the €25,000 organic turnover.

Interviews also highlighted that cacao exports are concentrated among relatively few exporters and a few larger secondary farmers' associations (federations of producer organisations). Some large exporters operate their own plantations while also sourcing from certified associations, often providing various services (including training and ICS) to the groups. This creates a strong dependence on a single exporter among many of these groups. According to operator data from certification bodies, no large cacao farms were reported. So, it can reasonably be assumed that more than 90% of organic cacao in the Dominican Republic is produced by smallholders certified in producer groups.

Smallholder cacao production is primarily done through mixed cropping systems, with minimal external organic inputs and the occasional use of plant-based preparations. There is little to no establishment of new cacao plantations, so retroactive recognition of conversion is not a concern.

3.1.5 Overview of the organic banana sector

The Dominican Republic exported about 224,470 t of organic bananas in 2022 and 171,449 t in 2023. Banana is produced by small-scale producer organisations and by larger plantations/farm operators.

According to national statistics, there are currently 1,036 organic banana producers certified in small producer organisations. The exact number and composition of banana associations are not known. However, the analysis of Fairtrade International data for Fairtrade-Organic Producer Organisations in the Dominican Republic offers valuable insights.

Fairtrade-Organic banana production in the Dominican Republic

There are currently 25 Fairtrade-Organic Small-scale Producer Organisations (SPOs) with a total of about 1,150 organic members and 40 Fairtrade-Organic Plantations (Hired Labour Organisations with workers benefitting from Fairtrade).

In total, the Dominican Republic produced 180,000 tons of Fairtrade-Organic banana in 2022, this was 70% of the total Fairtrade banana production in the country. 55% of Fairtrade banana volume in the Dominican Republic is from Small Producer Organisations, 45% from Fairtrade plantations (Hired Labour Organisations).

The Fairtrade organic producer numbers (2022) imply that probably all organic banana production by small producer organisations is also Fairtrade certified (total organic producer numbers in 2022 were higher than in 2023, see Chapter 3.1.2). Most banana producer organisations are small primary producer organisations with 10-200 members; there is no larger group.

The majority of small-scale banana producers in the Dominican Republic are larger than 5 ha. Fairtrade standards define banana producers under 10 ha as being small-scale, and only those with more than 5 ha under banana are considered commercially viable.

Most organic banana farms with more than 5 ha total agricultural land are likely “too big” to qualify as members in a Group of Operators, according to Art. 36 (1)(b). This is because the organic turnover of a farm with more than about 3 ha under banana is likely to be above €25,000 per year.

A study in Ecuador found that, on average, around 2.7 ha under organic bananas corresponded to an organic turnover of €25,000 in 2023 (Meinshausen, Vergara & Santillan, 2024). This seems to also be a good rough estimate for production in the Dominican Republic, though exact figures vary. According to the information from interviews, production and packing costs are extremely high in bananas, and net income after costs on a small farm would be only around 10% of the turnover. The implications of the new size/turnover restriction in bananas are discussed in Chapter 3.4.

Significant volumes of banana are also produced by larger plantations that are individually certified, some of which export directly, and some who sell to exporters. Data on the exact number of individually certified banana farms was not available, but based on CB information during interviews and analysis of Fairtrade and organic export volumes, it is estimated to be around 200.

3.2 Overall implications of the new organic rules

3.2.1 Implications for producer groups

Extent to which adaptation is needed to meet Group of Operator Requirements

Many of the details needed to assess whether a producer group already qualifies as a Group of Operators (GoO), or needs to adapt its organisation/set-up, are not currently recorded or known (e.g. membership composition and legal set-up or status). Self-assessment by producer groups, or even assessments by authorities or CB staff, tend to be incorrect due to the complexity of the rules in Art. 36 (1), and hence cannot be used reliably to estimate the extent to which adaptation is needed. However, the analysis of Fairtrade International data from Fairtrade small-scale producer organisations provides interesting insights.

Analysis of data of Fairtrade-Organic Producer Organisations in the Dominican Republic

All 31 Fairtrade-Organic cacao and banana producer organisations (SPOs) do not qualify as a Group of Operators according to Art. 36 (1) in their current composition and set-up due to one or several reasons.

13 organisations are composed of organic as well as non-organic producers as members. According to Art. 36(1) and clarification in the FAQ, a Group of Operators may not have any non-organic members.

3 SPOs have more than 2,000 members, which is not permitted.

25 SPOs (all banana SPOs) are expected to have at least some members beyond the new size/organic turnover limit.

The analysis of organic production beyond Fairtrade (see Chapters 3.3 and 3.4) suggests that all or almost all producer groups in the country probably cannot be certified as a Group of Operators in their current form. This conclusion was echoed and confirmed in the stakeholder workshop. This means that these groups (involving around 16,000 organic producers) need to adapt their organisation and status to continue supplying the European market under organic group certification.

There is no “universal solution” to adapt, and every organisation has to carefully consider its options and discuss potential solutions with its control body. Adaptation does not necessarily mean changing the organisation’s composition (e.g. by splitting the group or excluding non-organic or “too big” members). For example, in the case of a certified small producer organisation (e.g. farmers’ association) with organic and non-organic members, a new legal entity composed of all small eligible organic farmers can be established to be certified as a Group of Operators. The currently certified producer organisation can be certified separately as an operator for preparation and export.

More information on adaptation options for different types of producer organisations is given in the Annex. Fairtrade International has also published a technical guidance document⁸ for Fairtrade-Organic Organisations, which outlines different adaptation options and their implications for Fairtrade certification.

All producer groups must also align their ICS procedures and records. Many groups may need to strengthen and professionalise their ICS to meet the expected quality expectations. More and better-trained ICS staff may be needed.

⁸ Fairtrade International (2024) EU Organic Regulation 2018/848 - Adaptation options for organic Fairtrade certified POs, The Fairtrade website, <https://www.fairtrade.net/standard/eu-organic-regulation-2018-848-adaptation-options-for-organic-fairtrade-certified-pos>

Adaptation strategies and progress in meeting GoO requirements

According to all interviews with groups or stakeholders working with them, groups of small producers in the Dominican Republic are in the process of adapting to meet the new Group of Operator requirements (see Chapter 2.3). Feedback from the interviews suggests that most have not yet completed the process, and many do not yet have a definitive plan.

All interviewees were aware that there are important changes, but it became clear that many of the new group of operator rules were still poorly or incompletely understood, even among experts. As a consequence, some were found to be planning stricter adaptation measures than are actually required.

The new rule most frequently cited as a challenge is the 5-ha farm size limit for members in a Group of Operators. This has received much attention from the sector, and authorities and CBs have tried to establish how many organic farms are bigger than 5 ha. Not all stakeholders and experts interviewed were aware that Art. 36.1 (b) permits a member in a Group of Operators to have more than 5 ha as long as its organic turnover is under €25,000. This is particularly relevant in cacao, where most farmers with more than 5 ha are often under the organic turnover limit (see Chapter 3.1.4). It was also not well understood that the limit applies only to the organic turnover (which means organic sales to the group), not to the entire farm turnover.

An unfortunate consequence of the confusion about what is actually required under Art. 36.1 (b) (and the absence of simple-to-apply rules) is that many farmer associations are planning to exclude all members with more than 5 ha, sometimes unnecessarily. Another adaptation scenario widely discussed during interviews was the splitting of farms with more than 5 ha, and distributing between family members. Again, cases were seen where this is most likely unnecessary (e.g. in cacao).

In the interviews, many stakeholders overestimated the impact of the new farm size/turnover restrictions, while they had still not understood or addressed many of the other important changes that may need to be made for future compliance (e.g. alignment with all ICS rules; high-quality expectations, legal personality of the group; membership restricted to organic or in-conversion farmers under the size/turnover limit).

All interviewees mentioned that the adaptations they envisage making to group composition and set-up are very challenging for social as well as economic reasons. They were also concerned about lowering the financial efficiency and viability of groups as fewer members means smaller volumes at higher costs, and higher annual operational costs in addition to higher certification costs.

Many interviewees raised concerns about increased costs, and whether they will be compensated through the market with higher prices; they were clear that these increases will not be covered by existing profit margins.

Many groups indicated that they were not certain yet how exactly they would continue with their organic certification, and were stuck in the process as the changes seemed too daunting.

Implications of the new production rules for smallholder groups

In all interviews, the new, stricter organic production rules were not considered a concern. On the contrary, they were viewed as an opportunity for harmonised organic practices and reduced competitive pressure between CBs to "lower the bar."

According to information from interviewees, no changes will be needed in procedures for retroactive recognition of conversion, whether a farm adds a new field to its organic unit or for new farmers, as current practices are already stringent.

No issues were foreseen regarding changes to other production rules, except in the case of authorised substances for crop protection. According to an analysis done by COLEAD, some substances registered and used in the Dominican Republic are not currently listed under the new rules, and dossiers may need to be submitted to add some plant extracts to Annex VI (see Chapter 3.2.2).

Implications of the new control rules for producer groups

The main implications with regard to the new control system, as reported in interviews, are higher certification and internal costs for producer groups. These cost effects are discussed separately for cacao and bananas in the following chapters.

Interviewees did not indicate any concerns about residues and measures to be taken in the event of detection of unauthorised substances, and all CBs reported that they had experienced few to no contamination problems and OFIS cases in the country. In fact, this situation was highlighted as a potential opportunity during the stakeholder workshop.

However, in December 2024, bananas from the Dominican Republic were listed as a High-Risk Country product under "additional control measures" (see Chapter 2.5), requiring 5% of all shipments to be sampled. This will have considerable logistical and financial implications for banana producer organisations, beyond those identified by stakeholders during the course of this study. Ecuador has been under additional high-risk measures for bananas for several years and reported various challenges and high costs with implementation (Meinshausen, Vergara & Santillan, 2024).

3.2.2 Implications for farm, processing and export operators

The regulatory changes affect individually certified operators less than in the case of producer groups. During the interviews, no specific problems, new challenges, or significant cost increases were anticipated for individually certified farms (larger plantations), processing, or export operations.

In banana, many CBs already conduct more than one inspection a year and apply higher sampling rates, so a significant cost effect under the new system was not anticipated during interviews. After discussing the new requirements, some stakeholders mentioned that changes affecting the use of previously authorised farm inputs may require adaptation, including for larger organic farms, which tend to use more inputs.

Implications of new restrictions on authorised substances

Stakeholders were not aware of potentially significant new restrictions on authorised substances and products for use in plant protection (see Chapter 2.4). COLEAD conducted a preliminary review of biocontrol products currently registered for use in the Dominican Republic (micro-organisms, plant extracts, bacteria, viruses and others) and found that only about half are listed under Regulation 2021/1165 (which is undergoing amendments). However, information from interviews with certification bodies suggests that many of the products most commonly used in practice are authorised according to the new requirements. Nonetheless, dossiers need to be submitted to enable the authorisation and continued use of several plant extracts.

Implications of new control requirements

In the case of individually certified operators, none of those interviewed expected significant implications, as the approach does not change fundamentally in this context.

However, according to findings in Ecuador, the economic implications of the new 5% sampling rate in the case of individual operators may be felt by the sector if a high number of medium-size farms (e.g. banana farms) would become individually certified.

The additional control measures for bananas in 2025 (see Chapter 2.5) are expected to also have logistical and cost implications for individually certified banana operators.

3.3 Implications for the cacao sector

All 6 producer organisations in the country that are Fairtrade-Organic-certified will have to adapt to align with the Group of Operator rules. Of these 6 Fairtrade-Organic Producer organisations, 3 have more than 2,000 members and 5 have non-organic members. As noted in Chapter 3.1.4, the 12,000 organic producers in Fairtrade-Organic cocoa producer organisations account for about 75% of all organic cacao producers in the Dominican Republic.

Beyond the Fairtrade-Organic certified producer groups, less precise data is available for the remaining 25% or so organic cacao farmers. It is expected that many producer organisations that are organic-only certified will also have to adapt. Some cacao groups are managed by the exporter (as certificate holders) and will need to adapt for that reason. Many cacao farmer associations also have some non-organic members.

It is, therefore, estimated that almost all producer groups in the country will need to adapt to meet the new group of operator rules. This estimation was confirmed during

the stakeholder workshop, and in the main those affected appear to be aware of the need to adapt.

Some of the farmer organisations closely associated with an exporter appear to have received training and are already well in progress. However, the biggest cacao organisations (with thousands of members, and mostly with non-organic members) appear blocked in the internal re-organisation process and have not yet identified a final workable solution. Adaptation is complex as it requires changes to responsibilities and roles, an overhaul of the well-established system in place, and higher costs.

Another scenario is the case of a second-grade farmer organisation (e.g. a union of organisations). In future, the union will be certified as an “operator” for preparation and export, while organic first-grade farmer organisations will become certified as a Group of Operators. If the first-grade organisations also have non-organic farmers as members, or have over 2,000 members, this solution cannot work, and a new legal entity, or splitting of the organisation, may be needed, which is a very lengthy and demanding process for these entities.

Some interviews mentioned that farmer organisations are thinking of excluding all members over 5 ha to simplify their rules. Others also pointed to very small farmers being excluded from the groups for cost and efficiency reasons.

An additional complication arises from fluctuating market prices. For many years, organic cacao producers with more than 5 ha of land (fairly common in the Dominican Republic) have experienced very low organic turnovers. Prior to the 2023/24 season, a €25,000 turnover would have corresponded with 18-20 ha under cacao. So, in the Dominican Republic (and worldwide), almost all cacao farmers in groups were well under the limit. However, due to the exceptionally high world market prices in 2023/24, a farm with only 7-9 ha of cacao could potentially exceed the turnover limit (if selling all cacao as organic). Interviews indicated that this may indeed be the case for some farmers in the Dominican Republic. This complicates the situation as a given farm may exceed the limit in 2023/24, but have a turnover well below €25,000 next year if prices return closer to the 5-year average. Having to split farms or exclude members because of this situation would be overly severe and unfortunate. Using a turnover averaged over 2-3 seasons would seem more appropriate.

Cost and business implications

Interviews highlighted that many cacao organisations are already under considerable economic difficulties after years of high inflation, price pressure and decreasing organic sales. Many are also struggling with the effects of climate change and an ageing population of cacao farmers. At the same time, all cacao organisations are having to invest very considerable efforts and money to adapt to the EU Regulation on Deforestation-free products, and have no reserves left for further investment or to meet higher annual costs.

The recent International Cacao Organisation's "Cost & Benefit Analysis of the New EU and US Regulatory Changes for Organic Production"⁹ estimated that costs for being certified organic would increase by 20-30%. Beyond costs, several other elements were identified that can make organic certification impossible (or too difficult) to maintain, even if the cost increase can be covered. For mixed farmer organisations that have non-organic members, the study finds that the organisational changes required may be too daunting as they are too complex, with important economic consequences and potentially unforeseen implications such as tax liabilities. The overall implication identified was that organic cocoa following the EU organic regulation is likely to become scarcer and there is a potential for the de-coupling of EU and US organic chocolate value chains (TERO/BASIC, 2024).

With some farmer organisations choosing to adapt by excluding all members over 5 ha, there's an additional risk of lowering overall profitability as the unit costs per ton of cacao marketed will increase even further. There is also a risk of other commercial problems, such as having insufficient volume to fill export containers.

The larger cacao organisations also face social and inter-organisational challenges due to conflicting interests as they adapt to the new group of operator rules. Many are second-degree farmer organisations (associations) who fear that they may lose economic relevance and leverage if the smaller primary organisations become certified in their own name as a Group of Operators with their own ICS. Adaptation can also be a particular challenge for second-degree farmer organisations that have some primary organisations who qualify as groups of operators but some that do not (as they are mixed with organic and non-organic members). This makes finding a solution very difficult and "political" internally.

Cost example in cacao

Three cacao organisations were contacted to collect cost details. However, only one agreed to provide data and had information available on the costs of their ICS. As shown in Table 6, the organisation plans to reduce the number of farmers by about 18% and yet expects 25% higher internal and external certification costs in absolute terms. If analysed by the farmer or by ton of organic cacao produced, the costs increase by 50%.

⁹ TERO/BASIC Cost & Benefit Analysis of the New EU and US Regulatory Changes for Organic Production. Available in English, French and Spanish. on the ICCO website, <https://www.icco.org/icco-documentation/#publications>

Table 6: Cost analysis adaptation cacao example

ANALYSIS OF COST IMPLICATIONS – CACAO			
Characteristics	Farmer association with slightly more than 2,000 members and certificate in its own name, but with very close association to an exporter for the ICS and organic certification		
Adaptation measures	Reduction of number of farmers to about 1,700 farmers (reduction by 18%)		
	Costs now (equivalence) (US\$)	Costs 2025 (compliance) (US\$)	Change of costs (%)
Internal costs per farmer ICS staff and costs, farmer training, own sampling, documentation	123/farmer	186/farmer	+51
External certification costs per farmer Certification fee group + costs for COIs + costs for sampling charged by CB) / number of certified farmers	9/farmer	14/farmer	+56
Total internal & external cost for certification per farmer	132/farmer	200/farmer	+52
Total internal & external cost of certification per ton (produced) Total internal + external cost of certification / total annual production of group (tons)	48/ton	72/ton	+50
Total costs (internal & external)	270,000	340,000	+25

In another less detailed cost example provided by one CB, the increase in external certification costs under compliance for a group of 500 cacao producers (without any structural /organisational changes) was estimated to be +22%.

If any cacao farm has to be individually certified, costs reported by CBs would be from €2,000-5,000 per farm annually, as cacao is considered low risk.

An example of adaptation by a Fairtrade-Organic Union of Cacao organisations in another Latin American country, with analysis of two adaptation options, provides additional insights into finding a suitable solution in cacao and is therefore included in Annex 7.1. In this case, the adaptation option (certification of many small primary organisations as Groups of Operators, Union certified as exporter) was selected after many months of negotiation between the organisations and the union and with the help of training and technical assistance from a European buyer. It will result in external certification costs per farmer 3 times higher (increase from €36 /member annually to €105 per member annually).

3.4 Implications for the banana sector

All 25 Fairtrade-Organic producer organisations are estimated to need to adapt their organisation and composition to become certified as a Group of Operators from 2025.

As analysed in Chapter 3.1.5, the key challenge is the new farm size/organic turnover limit, although some organisations also have non-organic members. The majority of banana producers are bigger than 5 ha total agricultural land. Any farmer with more than 5 ha banana is also well above the €25,000 organic turnover limit (because of the very high cost of production) and hence is not eligible as a member of a Group of Operators. All banana producer groups will have some or even many members who are not eligible.

The alternative is for each farm to be certified as an individual farm operator. Costs estimated in the CB interviews for individual certification vary from €2,000 to €6,000 per year. On top of this are costs for “Certificates of Inspection” (COIs) for all consignments to the EU, and sampling. In bananas, the costs of COIs for each consignment are high as there are many annual consignments. Also, many CBs consider banana farms high-risk and conduct up to 2 annual audits and increased sampling rates. As a result, the effective costs per individually certified banana farm are expected to be from €3,000-6,000 per year (plus COIs and sampling).

For a few larger banana farms currently certified in groups, individual certification may be viable. Some groups have found an arrangement whereby the associations support the members in production and documentation, and pay part of the certification costs.

The main problem is for banana farms between 5 and 15 ha, which are too big to be a member of a Group of Operators, but too small to be able to cover the higher costs or manage the administration and risk of individual certification. Many farms in this size category are considering splitting their farm among family members (e.g. by rental agreement) to remain under 5 ha. Others are considering stopping organic production; several stakeholders interviewed mentioned that some banana farms are considering changing to other products and markets, e.g. plantain for the domestic market.

Bananas appear to be disproportionately affected by the new farm size/organic turnover restriction of Art. 36.1. This is because the limit refers to turnover rather than profit, and costs (according to information received from CLAC) can amount to up to 90% of

turnover in the case of sustainable Fairtrade Organic small-scale banana production (with fair conditions for the farm workers). This means that after costs, a farmer with 5.5 ha of banana, and an organic turnover of around €50,000, would only receive a net income of €5,000. If this farm has to pay €3,000/year at least for individual certification (all costs included), there would be little income left.

In either case, these changes increase the costs per volume for a group. The exclusion of large members risks jeopardising the group's market position, for example, if containers cannot be filled due to lower available volumes.

Several interviewees mentioned that banana production already faces higher pest pressure, the effects of climate change, and a shortage of farm labour, all of which have hurt production in recent years, as well as increasing production costs. Production has been considerably lower than the full potential of farms in the Dominican Republic. All factors combined, with certification costs increasing and structural changes to be made, many producers appear to be re-considering whether to continue banana production or change to production of other crops.

Banana production is more input-intensive, and all banana producers should verify very carefully with their CB if currently used organic inputs will still be authorised under the compliance scheme.

Example cost analysis of adaptation in banana

Table 7 indicates the cost implication example for an organic banana association.

Table 7: Cost analysis adaptation banana example

ANALYSIS OF COST IMPLICATIONS – BANANA			
Characteristics	Organic banana association with around 200 members (all organic)		
Planned adaptation measures	Some “too large” farms split, a few associate into larger farm operations, 4 farm operations will be individually certified		
	Costs now (equivalence) (US\$)	Costs 2025 (compliance) (US\$)	Change of costs (%)
Internal costs per farmer (total ICS staff and costs + costs for farmer training, own sampling & documentation)/ number of farmers	739/farmer	762/farmer	3
External certification costs per farmer (certification fee group + 4 individual farms + costs for COIs + costs for sampling charged by CB) / number of farmers	77/farmer	169/farmer	119
Total internal & external cost for certification per farmer	816/farmer	930/farmer	14
Total internal & external cost for certification per ton (produced)	14/ton	17/ton	24
Total costs (internal & external)	147,000	181,000	+24
<p>Explanatory Note:</p> <ul style="list-style-type: none"> • External certification costs currently: all members of the farmer association are certified as a group (“certification fee groups”), and no farms are certified as individual operators. • External certification costs 2025: due to the adaptation to the new regulation, 4 farms will be certified as individual operators in addition to the cost for the group certification in 2025 (with a changed number of members as some have split, others have associated to the larger farms). The sum of group certificate costs and the cost of 4 farm operator certificates is used to compare equivalence costs to compliance costs (same farm area and volume; just different certification and operational set-up due to adaptation to the new rules) • The 2025 cost projections are based on the most cost-effective CB quote for control under compliance, but assumes additional adaptation measures by several members, which are in progress (farm splitting, but also farmers associating to form a larger farm operator). If these measures cannot be fully implemented, cost increases would be higher. 			

4. Overall conclusions and recommendations

4.1 Strengths and opportunities for the organic sector

The strengths and opportunities identified during interviews were shared and corroborated during the stakeholder workshop:

- **Committed and well-trained organic farmers:** The Dominican Republic has a strong base of committed organic farmers implementing a wide range of effective organic practices.
- **Low risk profile:** The high level of commitment as well as the high number of organic farms, contributes to a low risk of detecting unauthorised substances or pesticide residues, with relatively few OFIS (Organic Farming Information System) cases compared to other countries.
- **Well-established commercialisation channels with the EU:** The country's organic production is successfully oriented towards the EU organic market.
- **Standardised compliance:** Harmonising stricter regulations across all Control Bodies (CBs) will ensure a consistent application of standards, minimising differing interpretations and fostering fairer competition.
- **Empowering small producers:** Small-scale producers can play a more active role in decision-making within their groups when they are certificate holders, enhancing ownership and responsibility.
- **Enhanced internal control and better risk management:** Dividing large groups for better management of the ICS could improve adherence to standards. Certification of several smaller group units is also very helpful for risk management.
- **Alternative business models:** Exploring local control systems (e.g. creating local ICS service providers that supply services to multiple groups) offers flexibility and new opportunities.
- **Improved transparency in smallholder supply chains:** The new standardised control system and requirements for groups of operators, combined with the CB TRACES database for issuing operator certificates, will greatly enhance transparency and data availability on smallholders within the EU's supply chains. Transparency would be further strengthened if the database also recorded the total number of organic and in-conversion members for each Group of Operators (for statistical purposes).

4.2 Challenges for the organic sector

Stakeholders consulted during this study identified several important challenges in the Dominican Republic relating to the new EU Organic Regulation, including:

- **Legal issues for producer groups.** To comply with the new rules for groups, most operators will need to make legal and organisational changes. It is not yet clear what forms of legal personality in the Dominican Republic would be most appropriate for the different groups.
- **Cost implications.** The costs of complying with the new Regulation are expected to increase significantly. It is uncertain for producers how and whether these increased costs will be covered by the market. The situation will be exacerbated if larger farmers are excluded from groups, as it will lead to a reduction in exportable volumes as well as higher costs for the group. The competitive disadvantage of smallholder producers vis-à-vis large plantations was raised as a key concern by many stakeholders during the workshop.
- **Availability of knowledge/information.** Although most stakeholders have already been informed about the main changes, there is still significant confusion about many of the technical requirements and their implications, as well as adaptation options that are appropriate and meet the EU organic requirements but are also legally and economically viable.
- **Scale of the challenge.** Almost all existing groups will need to adapt in some way to qualify as “groups of operators” according to the Definition in Art. 36.1. If any of the conditions (e.g. composition of the legal personality) is not met, an entire group and all its farmers lose their organic EU certification.
- **Timescale.** Even with the end of the derogation period in mid-October 2025, it seems likely that many organic producers, particularly smallholders, will not be in a position to continue supplying the EU organic market by that date. Many of those interviewed in this study are still in the process of trying to adapt. Their certificates are unlikely to be ready by October 2025, especially considering the longer total audit times required for larger Groups of Operators, and the time delay of at least 2-3 months between the organic audit and the issue of the organic certificate. There may also be delays during the initial implementation of a new control system and database for the issue of certificates.
- **Wider economic impacts.** A sudden loss of market access could have significant economic implications in the Dominican Republic for producer organisations and companies with smallholder value chains, especially where they have been investing in compliance with the new rules.
- **Supplies in the EU.** The impact of the regulatory changes on third countries is also having repercussions in Europe. EU importers report that suppliers are signing contracts for significantly lower volumes for 2025. This raises concerns about potential supply chain shortages, exacerbated by temporary disruptions

due to suspensions, residue cases and other unforeseen events. This aspect was not addressed in the present study but has been highlighted by the European Organic Processing and Trade Association (OPTA), as well as organic associations in Germany (for example, in comments made during public consultation on the proposed derogation period¹⁰).

4.3 Challenges and recommendations for public and private sectors and potential accompanying measures

A number of key conclusions have been identified during this study. In this section, based on the information collected during interviews as well as proposals made and discussed during the stakeholder workshop, some recommendations are proposed:

Potential reduction in organic certified producers

It is very likely that some organic producers in the Dominican Republic will lose or give up their organic certification. A number are expected to actively discontinue organic certification due to compliance burdens and a poor cost-benefit case under the new conditions. Some may be excluded from their associations to reduce costs or to align with the new rules. In other cases, their producer organisations or trade associations themselves may decide to discontinue organic certification or may lose certification due to non-compliance if adaptation to new requirements has not been fully realised on time.

Recommended actions:

- Provide information to producer organisations as soon as possible to discourage them from taking the “easiest short-term solutions” (such as excluding all members with > 5 ha), especially given that decisions are seemingly being based on misunderstanding or lack of information. This is essential to prevent decisions that are unnecessary and will have potentially long-term negative impacts.
- Provide support to organic farmers excluded from organic supply chains so that they can participate in other sustainability programs to ensure the viability of their farms and the overall sustainability of agri-food production in the Dominican Republic.

¹⁰ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14232-Imports-of-organic-products-certification-and-checks-of-certain-operators-in-non-EU-countries/feedback_en?p_id=32927090

Legal personality

The new EU regulation requires producer groups to adapt to the new Group of Operator rules. Establishing new legal entities is complex, even for well-organised producer groups. There is still much uncertainty about the “best legal form” to adopt for a given situation.

Recommended actions

- Producer groups should seek support from the Ministry, which has experience of working with small and medium enterprises.
- Relevant public authorities and legal departments in the Dominican Republic should identify suitable forms of legal personality (clarifying their respective advantages and constraints) and actively communicate this to the organic sector and support programmes so that they can guide groups through the process.
- To ensure their financial and socio-economic sustainability, explore if there are any ways (acceptable under the new regulation) under national law whereby farms that are to be individually certified can continue trading with their associations.

Increased cost burdens

Evidence collected during this study (in the cacao and banana sectors) demonstrated significant increases in the internal and external costs of organic certification. Adapting to the new Regulation requires additional investment as well as higher recurrent costs, and there is real concern about whether these costs will be offset by higher market prices. These underlying financial pressures are worsened by some of the actions being taken to comply with the new rules, for example excluding larger farms from groups, which has significant impacts on group profitability and commercial viability. They are also exacerbated by the cumulative effect of several EU regulatory changes that are affecting export sectors at the same time (Due Diligence Reporting Directive; EU Deforestation Regulation, among others).

The financial risk is very high for operators and groups of operators as, in practice, prices (especially for banana and cacao) are fluctuating and uncertain. This is likely to discourage continued (or increased) investment in organic certification for some operators and sectors.

Recommended actions:

- Quantify the costs associated with adaptation and certification under the new requirements, with the help of organisations supporting certification (e.g. Fairtrade, FiBL, IFOAM, COLEAD, World Banana Forum).
- Explore possibilities whereby farms that fall out of organic certification can continue to produce and trade under other established sustainability programmes, potentially with accompanying measures from development partners. This is important to avoid the risk of them adopting less sustainable

production practices, or not being able to sell into market channels that value their sustainability efforts.

- Establish dialogue among organic stakeholders to address the fairer and more sustainable allocation of value along supply chains, for example, through engagement with the current review of Directive 2019/633 on unfair trading practices in the food supply chain.

Competitiveness challenges for small producers

The new organic requirements disproportionately affect small producers supplying the EU market. Although this was not the intention, the new rules put them at a disadvantage relative to larger-scale producers.

Recommended actions:

- Establish support programmes for small producer organisations to provide (among others) advice, ICS training courses and follow-up, and assistance to address farm profitability.
- Establish extraordinary schemes/subsidies for organic farming to offset the higher external and internal costs of certification, and reduce the business risks of adaptation during the initial years when market prices have not yet adjusted to new, higher production costs.

Lack of knowledge and understanding of the new regulation

Although stakeholders in the Dominican Republic have been informed about the main changes, there is still a significant lack of understanding about many of the requirements for groups of operators (in particular, the basic conditions of Article 36.1), their implications, and adaptation strategies. This confusion about the new rules persists, even among experts. The very complex nature of the new regulatory regime makes it difficult for operators and traders, as well as public and private sector resource persons, to understand and identify legally and economically viable solutions. At this stage, such a lack of information and understanding is alarming as the time needed for documentation and transition is running out.

Recommended actions:

- Public authorities and support structures should actively seek clarification from the EU on requirements that they do not understand.
- Public authorities and representative bodies should open dialogue with the EU on key challenges to explore solutions or potential support (e.g. whether organic turnover as the critical criterion for membership eligibility in a group of operators can be averaged over 3 years to account for market fluctuations).
- Certification bodies should prioritise the provision of guidance to groups of operators to ensure compliance and minimise market disruptions.

Role of the public sector

There is currently no official policy in the Dominican Republic to support small-scale organic farming. Private sector stakeholders interviewed during the study did not perceive public sector involvement as proactive or effective.

Recommended actions:

- Foster greater synergy and engagement between public and private sectors. This includes ensuring that the private sector receives full and timely information on decisions and actions taken by the authorities.
- Organise public sector run meetings with producers (including small-scale), and develop a support plan involving training, technical assistance, value-added opportunities, market access and feedback mechanisms.
- Provide sufficient support to producer groups from government agricultural technicians and extension officers to (a) help reduce costs by assisting with documentation and (b) provide technical advice on organic farming.

New requirements on farm inputs

The new rules restrict the use of certain inputs currently approved and widely used in organic production for pest control, especially plant-based bio-preparations.

Recommended actions:

- All Operators and Groups of Operators should reconfirm with their CBs whether the inputs they have been using will still be authorised under the new compliance scheme.
- Traditionally used plant components for fertilisation and crop-strengthening purposes should be correctly registered as such in organic system plans and farm documentation.
- In the case of several plant extracts registered in the Dominican Republic, and used as active ingredients for plant protection, technical dossiers may need to be submitted to obtain EU authorisation for use in third countries. This process may be supported by development partners.

Need for an accredited laboratory in the country

With the increased sampling regime and elevated sampling requirements for high-risk products, it will be very important to finalise the accreditation process of at least one national laboratory to meet EU requirements for laboratories (Art. 12(6) of Regulation (EU) 2021/1698 for third countries).

Support by European market partner

Organic traders in Europe are advised to reach out to their smallholder value chains to provide information and signal their support for the adaptation. They can consider their suppliers' challenges and increased compliance costs in contracts and share the risks.

Making organic rules more accessible to third country stakeholders

The current organic regulatory framework is complex and challenging for third country operators and authorities to navigate. With numerous items of secondary legislation, and certain parts of the regulations applying differently in third countries, stakeholders face real difficulties in understanding what they need to do.

Third countries currently lack access to the simplified, well-established organic production guidelines available in Europe that help operators easily understand their obligations without needing to sift through extensive regulatory texts. Third countries (especially low- and middle-income) also lack the established support systems available to the organic sector in Europe, which has evolved alongside the new EU regulations and can influence future regulatory developments through democratic processes.

Recommended actions:

- An official compilation of regulatory rules should be developed that directly applies to third-country operators and their control mechanisms. This should include relevant sections of secondary acts, and be updated at least once a year.
- A simplified semi-official guide to the new EU regulations would significantly aid the implementation and continued compliance process.

5. References

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¹¹ This list does not indicate interviewees for this study.

7. Annex

7.1 Adaptation options (Group of Operator definition)

There is no “universal adaptation solution”. Suitable legal personalities and set-up vary between countries, organisational structures and products. It is recommended that organisations carefully evaluate their options for adaptation. **All adaptation plans should always be discussed with the organic CB before implementation.**

The following examples are provided for information purposes only and are not an official implementation guidance or interpretation of the EU Organic Regulation.

Adaptation options for farmers’ organisations

As a general recommendation for all farmer's associations, but in particular, for Fairtrade-Organic small producer organisations, it seems advisable to not split the organisation or exclude members unless this seems the only viable option for the organisation after analysis.

If the producer organisation removed non-organic or “too large members” from the organisation, and/or split off all organic farmers into a new group, and/or split into several organisations to be under 2,000 members, this could jeopardise and/or complicate the Fairtrade certification and may also complicate all other certifications. Also, splitting of the producer organisation or exclusion of members risks being rejected by farmers and/or may create new governance or business risks and reduce the organisation’s commercial flexibility (as a Group of Operators cannot buy from non-members, e.g. too “too big” members which will be individually certified in the future).

Instead, it is recommended that the currently certified organic small producer organisation should keep its legal form and membership unchanged and set up one or several new legal personalities for the purpose of EU organic certification as a “Group of Operators”. The currently certified organisation can still provide ICS services and the traceability / joint marketing system or other services to the new “group of operator entity” based on subcontracting and other agreements.

In the case of a second or third-level farmers’ organisation (e.g. a federation of cooperatives), the solution could be to certify the primary organisation(s) as Group of Operators and the federation only as Operator for processing and export in the future. This solution requires that the primary organisations have only organic (or conversion) members and less than 2,000.

In some cases, e.g., where the farmer organisation has very few “too big” or non-organic members, excluding ineligible members and /or splitting of farms to be under 5 ha may be an alternative adaptation to the new Group of Operators rules.

Some small farmer groups who cannot be certified as Group of Operators may also choose to associate their agricultural land and operations to become one larger organic farming operator (with legal personality) that can be certified as one operator.

Example adaptation in a cacao producer organisation

An example of evaluation of two different adaption options for a second-degree cacao union of organisations in another Latin American country may provide additional insights into finding suitable options for the producer organisations in the Dominican Republic. One adaptation option (certification of each organic primary organisation as a group of operators) is illustrated and analysed in Figure 6.

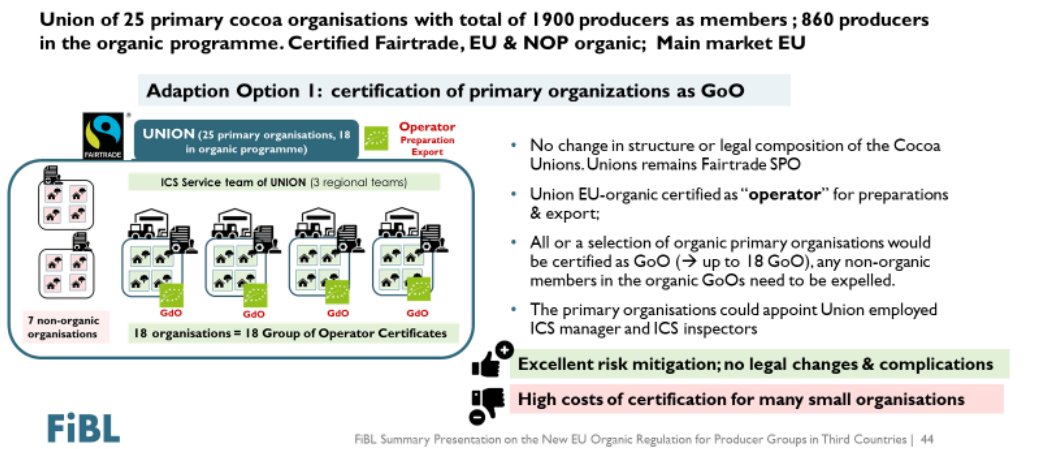


Figure 6: Adaptation Option 1 for a union of cacao organisations in Latin America

Another option to adapt to the new rules would be for the cacao union to set up a new legal group entity for the organic members of all primary organisations. This option is illustrated and analysed in Figure 7.

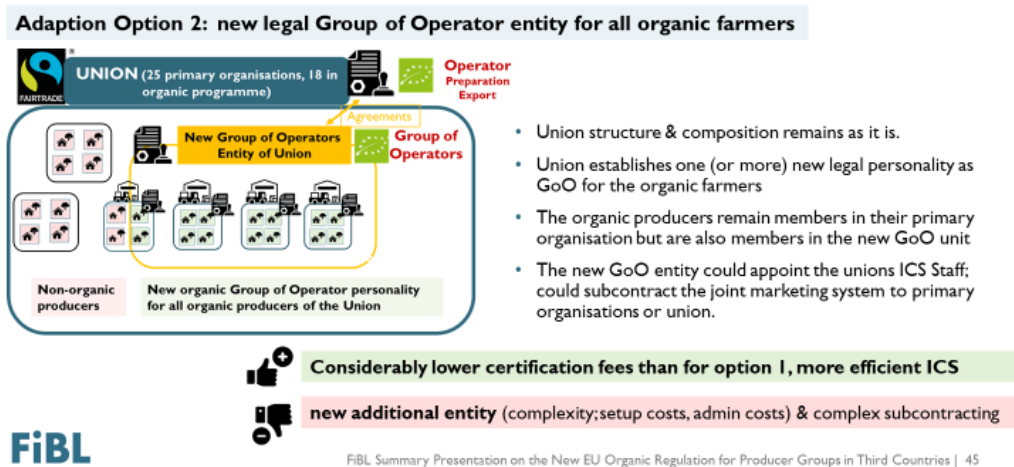


Figure 7: Adaptation option 2 for a union of organic cacao organisations in Latin America

The union ended up selecting Option 1 as the most suitable way forward after several months of consultation with all primary organisations and advisory and training financed by a European trade partner to find a suitable adaptation solution. The expected internal and external cost effects are an increase from about €36 per member and year for organic certification to about €105 per member and year on average across all organisations.

Adaptation for processor/exporter-organised groups

All processor/exporter organised/certified smallholder supply chains will need to adapt to continue group certification for the EU organic market unless they are already working with independently certified producer organisations. Only a legal entity composed exclusively of organic/in-conversion smallholders can be certified as a Group of Operators, and the processor/exporter can only be certified as an “operator”.

In most cases, this requires an overhaul of the established commercial and organisational set-up in many smallholder value chains, with potentially significant commercial implications and new risks that need to be carefully managed.

Subcontracting

To best utilise existing expertise and ensure operational continuity, it can be helpful that the currently certified trader and/or farmer organisation continues to provide services (ICS, traceability system, etc.) to the new Group of Operator entity or entities. This can be done by the Group of Operators formally “subcontracting” key processes (e.g. traceability system, joint marketing system) to the currently certified Farmer organisation or Trader and agreeing on further details in private commercial agreements.

Documentation: subcontracting agreements, appointment of ICS manager and ICS inspectors, commercial agreements.

For subcontracting in third countries, the rules are defined in particular in Regulation (EU) 2021/1698 Article 10(2). The way subcontractors and subcontracted activities are presented in the certificate can be seen in the Third Country Certificate in Regulation (EU) 2021/1378, Annex I (Part 2, sections 4, 5 and 6).

Additional information on subcontracting of ICS services or other services (e.g. joint marketing system, traceability system) can be found in the Annex of the FiBL study on the impacts of the new EU Organic Regulation (Meinshausen, Richter & Huber, 2024).