

OPSON VIII - organic targeted action

A growing demand for organic products over the last few years as well as a rapidly increasing share of organic production and retail sale in the EU¹, drew the attention of experts and resulted in a wide analysis about the need to enhance the integrity of organic supply chain.

In 2018, the European Commission (SANTE/AGRI), together with Europol, rose to this challenge and, based on available intelligence, sectoral research and past major criminal offences in the organic sector, decided to launch a targeted action on organics in the framework of the OPSON VIII operation. The aim of this operation was to protect the reputation of the [EU organic logo](#), consumer expectations and the confidence in more general terms in the EU food chain.

The action focused on complex international supply chains and aimed to identify their vulnerable points. It also investigated suspicions of fraud, targeted false certification, concentrated on food and feed in significant quantities, mostly imported and destined for redistribution under the EU organic label. With almost every type of product now bearing the organic logo, the likelihood of irregularities or infringements in the sector has grown.

As is the case with most fraud, this is often linked to economic drivers. Higher prices of organic commodities compared to the conventional ones, create an interesting opportunity for fraudsters, whose activities are still beneficial, even if they are discovered and have to face sanctions. The rapid increase of demand for organic products and a slower production rate in the EU (for instance feed materials) make it even more attractive.

In most of the cases, organic fraud does not present food safety risks and, if discovered, products that are non-compliant with the organic rules are downgraded and sold as conventional ones. In case of fraud suspicion, which by default is intentional, this kind of measure on its own is not adequate to prevent fraud. The gains from the fraudulent activity due to the sale of large quantities of “organic” products at a higher price outweigh the cost of possible downgrade if caught.

The OPSON VIII - organic targeted action was led by the [European Food Fraud Network](#) (EU FFN) which, together with Europol, supported the competent authorities in their cooperation with other EU countries. They also assisted in liaising with non-EU countries, with the help of INTERPOL. In order to ensure the success of this operation, police, customs and food experts were mobilized. The action consisted of the two main activities:

- EC databases screening, providing intelligence (suspicion of fraud cases, risk based operators, countries or Control Bodies) and support to participants by the EU FFN.
- Activities performed by Competent Authorities of participating countries based on their own national plans.

¹ <https://statistics.fibl.org/europe/key-indicators-europe.html>

As a result of the action, a number of administrative and criminal proceedings were initiated, products were seized, people were arrested and operators sanctioned. Based on the patterns observed, the Commission identified a certain “modus operandi”, to be shared with Competent Authorities in order to identify fraudsters and prevent future fraud as well as improve the weakness of the system. Investigations are still ongoing and further results can be expected in the coming months.

The action focused on food fraud suspicions therefore the results do not represent the prevalence of the fraud in the sector.

Q&As concerning the organic targeted action – OPSON VIII (2018/2019)

1) What is OPSON?

Operation OPSON² has run since 2011 and is a joint Europol / INTERPOL operation, targeting fake and substandard food and beverages. It involves the joint efforts of the police, customs and national food regulatory bodies in addition to partners from the private sector with the aim of establishing partnerships in order to provide a cohesive response to the above mentioned crimes, and protecting consumers by seizing and destroying substandard foods and identifying the criminals behind these networks. The action has a worldwide scope.

The Commission **joined for the first time during the fraud action** regarding fresh tuna, last year.

2) Who proposed the action?

The priorities of the OPSON VIII action were discussed in June 2018 during the EU FFN meeting together with Europol and DG AGRI. As a result of this discussion between the Commission, Europol and Members States, three topics were chosen: organic products (led by the Commission), coffee³ (led by Germany) and food supplements with the illegal “weight loss” substance, DNP⁴ (led by the United Kingdom).

3) Who participated in the action?

Who ?	Role
Europol / INTERPOL	Coordination
European Commission	Action leader
16 Member States (Austria, Belgium, Bulgaria, Cyprus, Spain, Finland, France, Croatia, Ireland, Italy, Lithuania, Portugal, Sweden, Slovenia, Slovakia and the United Kingdom)	Volunteered for national actions and activities, if requested follow-up to cases launched by the EU FFN
Additional 6 Member States (Germany, Greece, Hungary, the Netherlands, Poland and Romania)	Requested in specific requests for investigation launched by the EU FFN

² <https://www.europol.europa.eu/activities-services/europol-in-action/operations/operation-opson>

³ https://www.bvl.bund.de/DE/08_PresseInfothek/01_FuerJournalisten_Presse/01_Pressemitteilungen/Pressemitteilungen_node.html

⁴ <https://www.food.gov.uk/safety-hygiene/24-dinitrophenol-dnp>

18 non-EU countries (Argentina, Chile, China, Costa Rica, Canada, United Arab Emirates, Ecuador, Egypt, India, Kazakhstan, Moldavia, Serbia, Russia, Togo, Tunisia, Turkey, the United States and South Africa)

Implicated in requests launched by the EU FFN during the action

4) What are the roles of the participants?

The Commission took the lead in the action: provided the participants with intelligence, elaborated on in-depth analysis of available data, supported the national actions (e.g. statistics, risk-based operators, countries or control bodies) conducted by 16 MS and coordinated investigations with Europol and INTERPOL.

Most of the intelligence prepared by the Commission was based on a thorough analysis of the infringements and irregularities reported in the Organic Farming Information System (OFIS) and in the Trade Control and Expert System (TRACES) which allowed the in-depth searching of traceability records, recurring actors and similar consignments.

Member States used the framework of the EU FFN to deploy their anti-fraud bodies to concretely intervene in the areas suggested by the intelligence work of the Commission.

Europol and INTERPOL were the coordinators of the OPSON action. Europol verified possible criminal implications and INTERPOL, in particular, facilitated and coordinated investigations in the non-EU countries involved in the requests.

5) Were there any health risks involved?

No.

In all cases except one, no health risk was detected. The sole case originated from Rapid Alert System for Food and Feed (RASFF), where pesticide residue was found in dried fruit from a non-EU country. The case is still under investigation.

In all other cases, the use of unauthorised pesticides in food were identified but levels found were below the Acute Reference Dose (ARfD). In such situations, the status is downgraded to “conventional” and the product is still sold on the market, but at a lower price, as there is no health risk.

Violations of the food hygiene legislation (e.g.: no cleaning of the production line between conventional and organic products when filling wine bottles) were also observed.

6) What kind of fraudulent activities have been investigated?

The investigations showed that not all of the infringements came from an intention to commit fraud but rather to negligence in the application of the rules on the production and labelling of organic products, which is still a shortcoming and has to be duly sanctioned.

However, the EU FFN and police investigation reported different cases: falsified documents, manipulated or incomplete analytical reports, deliberate use of unauthorised substances, lack of traceability of the products and false certification of the status of the operators.

7) What are the drivers of fraud?

The deep-down root cause of frauds is the substantial price difference between the organic and the conventional version of products.

The economics of organic fraud is characterised by high benefits, low penalties, low probability of detection, which result into high profits for fraudsters.

Fraudulent benefit is the price difference between conventional and organics multiplied by the volumes implied. The substantial price difference between organic products and conventional (on average about 30% higher), makes the sector economically interesting.

Penalties and sanctions are relatively low in financial terms. At present, as there is no harmonisation at EU level on a sanctions catalogue, some sanctions are relatively lax, financial penalties are rare and limited, if any. The new Official Control Regulation will introduce financial penalties related to the turnover of the operator, a measure with a rather dissuasive intent.

The volumes involved are significant and this adds up to high profits for fraudsters.

8) Could the fraud be detected via laboratory testing?

The organic control system verifies and certifies every operator in the supply chain (farmers, processors, retailers, importers) and ensures the correct application of the organic production rules. It aims at guaranteeing the production processes and not the products themselves since there is no scientific way to determine whether a product is organic or not⁵.

As the integrity of organic products cannot be identified by a laboratory test or physical examination, their organic status is based on the certification of producers carried out by Control Bodies or Control Authorities both in Member State as well as in non-EU Countries. This system aims to provide consumers with the assurance that when they purchase a product in the EU that is labelled as organic, the product is indeed organic.

The EU control system certifies the production process, not the products themselves⁶. Therefore, it is very important that the control system is adequately set up and that it guarantees high-quality checks and supervision by Competent Authorities.

9) Why does fraud happen?

The sector is subject to fraud as any other economic sector in which fraudsters see a possibility to break in. The OPSON VIII - organic targeted action confirmed a number of weaknesses already identified by the Commission and the European Court of Auditors. The core of the problem is linked to the rapid increase of the organic market that has opened the door to unscrupulous operators looking for an easy profit.

In particular, other elements can be highlighted regarding the enforcement of the organic legislation:

- Sanctions and penalties are relatively low in the sector and are not harmonised at EU level (a work in progress, though) to create uniformity in dealing with fraudulent or illicit actions;
- Often non-compliant products are downgraded to conventional goods and are sold at regular prices, not discouraging possible deceptive actions;

⁵ https://www.eca.europa.eu/Lists/ECADocuments/BP_ORGANIC_FOOD/BP_ORGANIC_FOOD_EN.pdf

⁶ https://www.eca.europa.eu/Lists/ECADocuments/BP_ORGANIC_FOOD/BP_ORGANIC_FOOD_EN.pdf

- The recall/withdrawal of products sometimes don't happen;
- Responsibilities for infringements in the supply chain can be delayed.

High demand for organic products and insufficient EU production required to source products from third countries and made the traceability exercise much more complex. Long complex chains with very big operators and subcontracted producers create non-transparent structures. On a top of that, the invoices follow separate routes involving 'traders' from well-known tax paradises.

10) What is the Commission doing in order to address the weakness of the system?

The Commission is aware of the shortcomings in the organic production and proactively takes steps to improve the system. Moreover, the Commission is aware of the increasing risks and challenges caused by the rapid growth of the organic market and the development of imports.

The Commission has already put measures in place to face this problem, for instance by developing the Electronic Certificate of Inspection in the framework of the TRACES system which had substantially improved the traceability of the organic products imported from non-EU countries.

Every year, the Commission carries out an in depth assessment of the Control Bodies authorised to certify goods. The same Control Bodies are submitted to an audit programme by the Commission services.

For the last few years, the Commission has issued guidelines on the imports of certain product categories, considered as a higher risk from any major producing country. These guidelines focus on an enhanced traceability of the products and as an extra control on operators through additional inspections at the producer level and by additional sampling at border control.

Moreover, together with Member States, the Commission carries out a regular monitoring of irregularities that are notified by Member States in a specific IT tool set up for this purpose.

11) Will the legislation be reinforced?

Yes.

The **new organic regulation, entering into application in 2021**, together with the **new Official Control Regulation**, besides introducing the compliance to EU rules for imported products, will also reinforce the controls and enhance possible actions against fraudsters. In particular, the powers of the Commission in intervening directly when a suspicion of fraud is detected will be reinforced.

It is, however, of the utmost importance that not only the Commission but also the Member States put in place actions to better coordinate and enhance controls both in Member States and at the borders.

Following the Action Plan of 2014⁷, the Commission has also started to work with Member States in the developing and implementing of an organic fraud prevention policy through targeted workshops, to share lessons and good practices. Moreover, by actively taking part in the OPSON VIII operation the Commission constantly takes an active role in fraud prevention.

⁷ COM(2014) 179 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Region- Action plan for the future of Organic production in the European Union.