

# Review of the management of risk-oriented inspections in an organic control body in the light of organic food fraud cases and improvement measures

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This thesis aims to tackle the problem of the effective operationalization of risk-based inspections in the light of the revision of the EU organic Regulation. Why is it important to determine an operator's risk of acting against organic standards? The aim of the certification process is to protect the credence of organic standards. Since the certification process is time-consuming and complex, an expedient discovery of severe irregularities and infractions is necessary. To set the focus on the operators who are most likely to deviate ideally leads to a quick discovery. The classification of operators into risk classes is dependent on the evaluation of risk factors. The operator's willingness to infringe against the EU Regulation on organic production is not only dependent on measurable risk factors, but also on psychological factors, which are difficult to acquire. The moral hazard and game theory can be applied in this case to further assess these factors. Presently, the risk of committing organic food frauds seems to be not clearly defined. As a consequence, there is the need to further enhance the operationalization of risk-based inspections. The risk evaluation system in the organic certification sector should not only be based on quantitative but also on qualitative risk factors. To figure out whether the inclusion of qualitative factors is possible or not is part of this work. In case this inclusion seems to be impossible, other opportunities of improvement measures are to be discussed within the thesis. This scientific work is going to be developed in cooperation with the certification body "Gesellschaft für Ressourcenschutz mbH (GfRS)" ([www.sicher.bio](http://www.sicher.bio)) as external partner.

The overall aim of this thesis is to initially gain an understanding about the management of risk-oriented inspections in an organic certification body (GfRS), which is then to be critically assessed in order to develop ideas about improvement measures.

The thesis is revolving around the following central research questions:

- Which legal requirements determine the organic production and the organic certification sector?
- What is the predominant state of research regarding the assessment of the management of risk-oriented inspections?
- How does a risk-oriented evaluation scheme work in practice?
- Are sanctioned companies positive correlated with a high rank in the respective risk-oriented evaluation?
- Which measures could improve the management of risk-oriented inspections?

In order to answer the research questions, the thesis is structured into the following steps: As part of a literature research the work starts with an overview of the legal basis in the field of organic certification and is followed by the description of the management of risk-oriented inspections based on the EU Legislation on organic production. The literature research includes the moral hazard theory related to the organic food sector, to point out the relevance of qualitative risk factors next to quantitative risk factors. The second step is going to be a description of the cooperating certification body GfRS with a focus on how it has implemented a risk-oriented evaluation scheme. This is followed by gathering data through the GfRS database to create an internal overview of sanctioned companies, which have been identified by GfRS being in strong non-compliance with the EU Regulation on organic production. This is going to be done for the years 2016 and 2017. As the fourth step descriptive statistics is used to investigate the relation between the sanctioned companies in 2016 and 2017 and their outcome of the GfRS risk-oriented evaluation. The next step takes a deeper look onto internal example organic food fraud cases through their description and analysis. After this there is going to be a workshop with internal experts to discuss the results obtained to date. Further the control body's risk-oriented evaluation scheme is going to be assessed critically. Finally this work is going to deal with the development of possible measures, which could improve the management of risk-oriented inspections.

Studiengang – Study programme	M.Sc. Organic Agriculture and Food Systems
Laufzeit – Lifetime	11/2017 - 07/2018
Erst-Prüferin – First examiner	Prof. Dr. Claudia Bieling
Zweit-Prüferin – Second examiner	Dr. Jochen Neuendorff
Externe Partner – External partners	Gesellschaft für Ressourcenschutz mbH (GfRS), <a href="http://www.sicher.bio/">http://www.sicher.bio/</a>