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The Tangible Qualities of Organically-Sourced Products

Ildikó LAKI
University of Szeged
b.laki.ildiko@gmail.com

Abstract. In the present study, I survey the current situation of labelling organically produced or -sourced products and the type and range of the most frequently purchased and consumed organic goods in Hungary. The focus of the present work entails the elaboration of the value of organic labelling, including its various definitions and interpretations. The terms organic or 'bio' with the associated notions of healthy way of living have become increasingly popular in the past few years, thereby generating a number of interesting topics for discussion. What is the actual meaning of the terms organic or 'öko-bio'? Should/can this be regarded as a lasting condition or merely as a passing phenomenon merely satisfying the latest nutritional trends?

The first segment of the study covers organic labelling from the aspects of the legal regulatory framework and relevant competent bodies, relying on the opinions of Hungarian and foreign experts. The second segment provides a comprehensive picture of organic production in Hungary, based on available statistical data and theoretical approaches about the necessary production methods as adapted to the specific conditions prevalent in Hungary.

Finally, upon the assessment of the existing international legal framework, the Hungarian certification system is delineated with its peculiarities and controversial aspects. Additionally, the labelling and logos used to ascertain genuine organic products, and the implemented quality control procedures are described. In connection with the topic, the National Board Against Counterfeiting commissioned the Industorg Védjegyiroda Minőségügyi Kft. (Industorg Trademark Quality Assessment Ltd) to conduct a research study, which was accomplished in cooperation with the Homo Oecologicus Foundation and the Hungarian Academy of Sciences (HAS) Centre for Social Sciences – Institute for Sociology. The main motivation for the study was that thus far no comprehensive analytical research work focusing on both the market actors and consumers has been carried out in Hungary. The goal of the study was to accurately measure the market of locally produced and marketed organic food items in Hungary. Additionally, it aimed through the use of focus groups and personal interviews to demonstrate the approach and opinions of Hungarian consumers, producers, as well as retailers toward organic products.

Keywords: organic products, organically produced products, certification, consumption habits

Introduction

Organic farming

The terms *organic farming* and *organic production* are by and large identical in meaning; in many countries, the words 'öko' or 'bio' refer to the same category of agricultural products that the term 'organic' does in the English language. In each member state, depending on the official language used, various terms are being used to designate organic products in the legal vocabulary and relevant documents. The terms 'chemical-free' and 'natural', on the other hand, do not indicate organic farming practices (www.biokutatas.hu 2016).

The European Council Regulation (EC) 834/2007 lays out the framework for organic production within the European Union (Council Regulation 2007). The preamble of the Regulation states that "Organic production is an overall system of farm management and food production that combines best environmental practices, a high level of biodiversity, the preservation of natural resources, the application of high animal welfare standards and a production method in line with the preference of certain consumers for products produced using natural substances and processes" (Council Regulation 2007: 1). According to Article 2 (Definitions), "'organic production' means the use of the production method compliant with the rules established in this Regulation, at all stages of production, preparation and distribution" (Council Regulation 2007: 1).

In line with the above Council Regulation, the Research Institute of Organic Agriculture summarized the general guidelines of organic farming as a unique form of agricultural production, which gives preference during the production processes to the use of local and available natural resources opposed to non-renewables and off-farm inputs, thereby aiming to recycle wastes and by-products while adhering to strict energy conservancy. Accordingly, the use of synthetic fertilizers and pesticides, as well as GMOs is not permissible (www.biokutatas.hu 2016).

Péter Roszík, Executive Manager of Biokontroll Hungária Nonprofit Ltd, begins his book – *Ökológiai gazdálkodásról gazdáknak közérthetően* (in English: A Comprehensive Guide to Farmers on Organic Farming) – by listing a number of definitions available for the description of organic farming of which perhaps the version put forward by the IFOAM (International Federation of Organic Agriculture Movements) is the most fitting one: "Organic Agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic Agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved" (Roszik 2008: 12).

In the view of János Berényi, University Professor and Head Researcher at the Institute of Field and Vegetable Crops in Novi Sad, Serbia, the need for the theory and practice of organic farming primarily stems from the necessity to align agricultural production with the specificities of available natural resources and ecological systems, including the requirements to guarantee their continued survival and least affected functioning (Berényi 2011). He identifies as organic, or ecological farming those agricultural practices which do not involve the use of synthetic or artificial pesticides and fertilizers (Berényi 2011). The author considers a primary feature of organic farming that it is a sustainable form of agricultural activity, both from economic and environmental aspects, which contributes to the sustainability of agro-biodiversity and to the production of organic foodstuffs with environmentally friendly methods, without endangering health and the presence of any harmful chemicals (Berényi 2011).

The nature of organic farming requires that it must become a distinct and an entirely separate system from conventional agricultural production, both in the cultivation and commercialization processes, i.e. the cultivation of organic foodstuffs in every respect, including the sourcing and types of seeds for planting. Thus, it must be independent from the traditional agricultural methods (Kovács 2006).

Organic farming in contemporary Hungary

At the end of the previous decade, approximately 37 million hectares of land were under organic cultivation worldwide. Of the arable land available for organic cultivation, the largest area, 2.5 million hectares, was taken up by cereals, followed by oil-bearing crops: 0.5 million hectares, and protein-bearing crops and vegetables: 0.3 million hectares each. The size of organically cultivated permanent crops was also sizable, reaching roughly 3 million hectares. The largest organic agricultural land area in 2009 was in Australia with 12 million hectares, Argentina being second with 4.4 million hectares, and the USA third with 1.9 million hectares. At the same time, countries with the highest share of organic agricultural land were the Falkland Islands (36%), Liechtenstein (27%), and Austria (18.5%); additionally, there were 1.8 million organic producers worldwide (Roszik 2008).

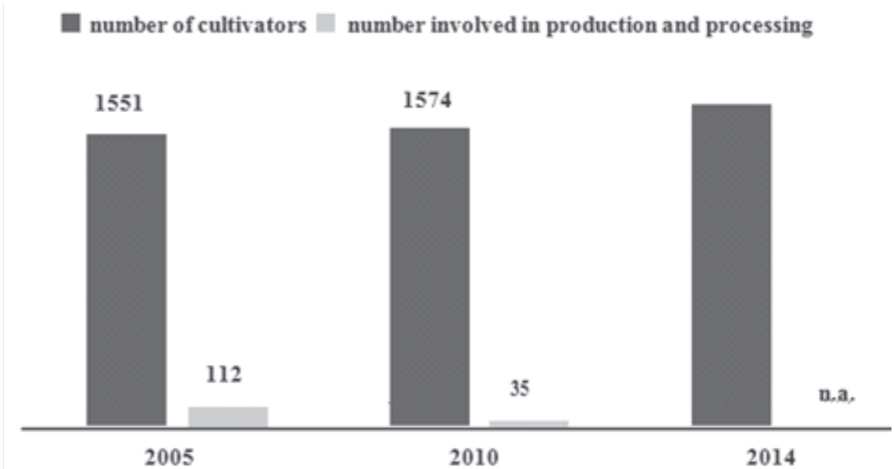
In the European Union, the number of organic farms increased from about 5,000 in 1985 to 186,000 in 2011 and the land area under organic cultivation was also enlarged from 125,000 hectares to 9.6 million hectares, constituting 5.4% of all agricultural land in the EU (Ministry of Rural Development 2014).

In 2004, the European Commission compiled an action plan for the development of organic farming and production. The Commission paper defined 21 actions as development goals, giving particular attention to the development of information sharing on organic farming, increasing productivity and yield, and within the scope of rural development schemes, the realization of wider synergies and awareness, and finally more pronounced research and innovation in this area.

Since the year 2000, the land area under organic farming has increased by approximately 150% in Hungary; however, after 2004, the development trajectory has become somewhat muted as no support mechanism was set aside for organic farming in the agri-environment programme (Galambos 2010). A significant change in policy occurred in 2009; from that year onwards, organic farmers have again been able to apply for subsidies from agri-environment programmes. According to the latest available data, in the 2014–2020 budget period, funding accessible for subsidies for organic farming is three times as high as in the previous budget cycle, now reaching 60 billion HUF (Mezei 2015).

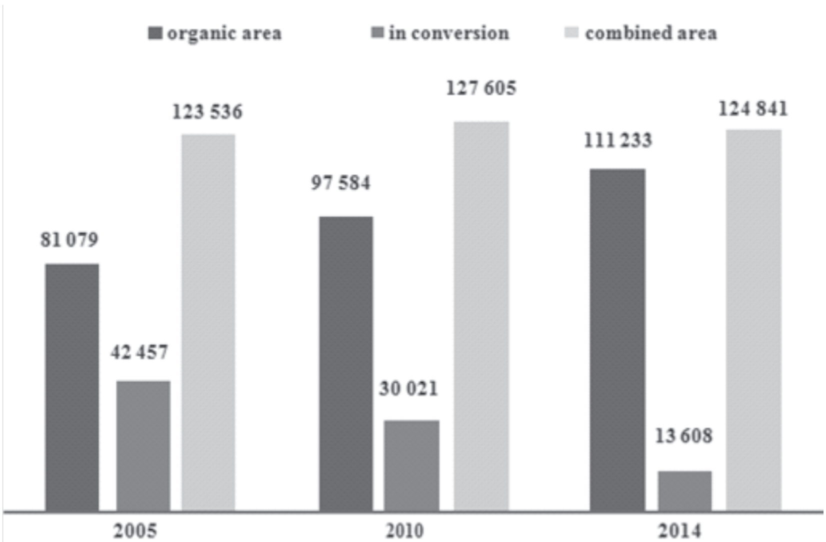
In 2014, the *National Action Plan for the Development of Organic Farming (2014–2020)* was adopted, which identified clear goals and measures to provide further incentives for the expansion of organic farming. As the Hungarian organic food and products sector is primarily export-oriented, the domestic development strategy should be based on the popularization of organic farming and the specific foodstuffs and products it generates with the simultaneous elevation of the share of processed goods (Ministry of Rural Development 2014). These goals are to be realized through the following six actions: 1. regulations of organic farming and production, 2. increasing production volumes and developing sales activities to satisfy market demand, 3. furthering research and innovation, as well as advisory schemes related to supervised organic farming activities, 4. establishing uniform and transparent information and data gathering systems, 5. popularizing organically-sourced products and product categories, and raising customer awareness and trust, 6. assisting cooperation between involved actors and the development of retail networks marketing the full range of relevant product groups.

Due to these efforts, the number of cultivators in organic agriculture in the past twenty years has steadily grown, although at a slow pace, which also translates to the parallel expansion of land area under organic cultivation and its concomitant strict supervision by competent bodies. From the accessible research data and a number of studies done in this field, it is clearly visible that the number of actors dedicated to and engaged in organic farming is rising, especially among those already practising traditional farming techniques and methods.



Source: http://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_ua001.html
[1A] (Laki, I. (ed.), 2015)

Graph 1. Organic production. Number of cultivators between 2005 and 2014



Source: http://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_ua001.html [1B] (Laki, I. (ed.), 2015)

Graph 2. Extent of agricultural land under organic cultivation in hectares between 2005 and 2014

About two-thirds of all organically produced and certified foodstuffs in Hungary are exported abroad mainly in unprocessed form. In order to protect the already attained market positions of Hungarian organic products in foreign countries – and even to expand them –, it is indispensable to achieve the complete integration of the production process, institute quality certification codes, including advisory services for producers, and provide generous financial support for organic farming. The lucrative opportunities in the foreign markets do not work for the benefit of making any pronounced efforts on the part of the cultivators to expand the share of organic products on the domestic market, especially as the existing demand is currently insignificant. The consumption of organic foodstuffs in Hungary is negligible in comparison to the traditionally or non-organically cultivated products. In part, this can be attributed to consumers having only limited knowledge on the availability of the range of organic products, including the benefits derived from their consumption. Meanwhile, those who do purchase such products and can be considered as regular customers are highly price conscious (cf. results of the focus-group research, 2015).

Domestically, it can be stated that the greatest share in the consumption of organic products is concentrated in Budapest with most of the retail trade in organic goods realized in the capital city; other larger regional population centres offer a far less significant market for organic products (cf. results of the focus-group research, 2015).

The majority of interested and actual consumers of organic products belong to high-income, health-conscious families with small children who consume organically-sourced products and foodstuffs only occasionally, not on a regular basis. Concerning retail outlets, on the Hungarian domestic market, they mainly include specialized organic shops, farmers' markets, and community gardens; additionally, in the past few years, online sales of organic products have gained both in volume and significance (cf. results of the focus-group research, 2015).

Legal regulation in the European Union

The European Union's regulations on organic agriculture, besides provisions on appropriate and permissible forms of cultivations, substances, and chemicals, also cover precise rules for labelling, and the establishment and structure of control systems capable of enforcement. Organic farming is subject to regulation since 1991 in the European Community.

It was in 1991 that Council Regulation (EEC) No 2092/91 was adopted, which established the first proper comprehensive legal environment for the regulation of organic production of agricultural products and indications. This Regulation had been amended a number of times and was finally replaced by a new legal framework, (EC) No 834/2007, applicable as of 1 January 2009. The major changes undertaken in this area are as follows:

– Council Regulation (EC) No 834/2007 repeals Regulation (EEC) No 2092/91 on organic production and labelling of organic products.

– Commission Regulation (EC) 889/2008 lays down the detailed rules for the implementation of Council Regulation (EC) No 834/2007 on organic production and labelling of organic products with regard to organic production, labelling, and control.

– Commission Regulation (EC) No 1235/2008 lays down the detailed rules for the arrangements of imports of organic products from third countries.

Domestic legal regulation

In Hungary, Act XLVI of 2008 on Food Chain Safety and Control and Ministerial Decree 34/2013 (Ministry of Rural Development) concerning the proper certification, production, labelling, marketing, and control of organic agricultural products regulate organic farming and production as well as establish a framework for certification and control.

– Ministerial Decree 63/2012 (VII.2) (Ministry of Rural Development) assesses and regulates the administrative fees and protocols for applications related to organic agricultural production either to be collected by the National Food Chain Safety Office (NFCSO) or the food and agricultural departments of government offices in each county (Teaching Material 7, 2012).

The certification system in Hungary

Within the European Union, organic products have to meet identical criteria. Only those products can be labelled as organic where the involved actors (plant or livestock producers, food companies, or retailers) participate in the prescribed control scheme. It is within the competence of each member state to establish the kind of control mechanism they wish to operate. In the majority of them, a number of control bodies are recognized and accredited. Their activities are overseen and, if necessary, sanctioned by the competent public authorities. The involved control bodies are required to operate with adequate guarantees of objectivity and impartiality, and have at their disposal the qualified staff and resources necessary to carry out their functions.

In Hungary, for organic production, the designated competent authority is the NFCSO as part of its food chain safety role. The NFCSO, however, delegates its certification functions to a number of control bodies. By law, the approval and supervision of control bodies is the competence of the NFCSO, being the competent authority to ensure that their activities are in compliance with the set requirements.

Only those organizations may be accredited as control bodies which are NFCSO-certified, thereby being in full conformity of both the European and Hungarian prerequisites for such activities.

Currently, organic producers can operate under the supervision of two control bodies in Hungary. These two bodies are Biokontroll Hungária Nonprofit Ltd, control number HU-ÖKO-01, and Hungária Öko Garancia Ltd, control number HU-ÖKO-02. It is not permissible to have any significant differences between the operations of the two bodies from the aspects of control and certification as both of them operate under the same statutes. It is a binding requirement on the control bodies to carry out on-site inspections at least once a year at all actors and organizations certified by them to ensure full compliance with all relevant EU regulations. Additionally, the control body is also liable to execute unannounced inspections if any of the certified actors or organizations are under the suspicion of non-compliance (Teaching Material 7, 2012). As part of their mandate, the control bodies can supervise and certify the following activities: plant production, collection of wild plants, beekeeping, mushroom cultivation, livestock production, processed food production, viniculture, production of organic animal feed, wholesale and retail trade and marketing, as well as importation of organic products from outside the EU.

Beyond these tasks, both control bodies engage in other control activities based on their own specific qualification criteria. Thus, Biokontroll Hungária Nonprofit Ltd is certified to fulfil control activities of catering and cafeteria services, cuniculture, game and quail keeping, and provisionally organic viniculture. Simultaneously, Hungária Öko Garancia Ltd provides control and certification based on its own set of requirements for organic ostrich and emu farming.

Any operator who produces or is involved in activities at any stage of production, preparation, and distribution, or who imports from a third country products that are to be classified as organic or who places such products on the market shall – prior to placing any products on the market as organic or in conversion to organic – notify the competent authorities of the Member State where the activity is to be carried out and must submit his undertaking to the relevant and applicable control system (Teaching Material 7, 2012).

Those operators may be exempt from the application of this requirement who sell products directly to the final consumer or user, provided they do not produce, prepare, or store other than in connection with the point of sale or import such products from a third country or have not contracted out such activities to a third party.

From the perspective of the consumers, it is of more pronounced significance to be able to clearly differentiate between organically produced, controlled, and certified products complying with all relevant legal requirements, on the one hand, and traditionally produced foodstuffs and goods, on the other. The logos of control bodies attached to organic products serve this end.

Source: Teaching material 7, 2012

Graph 3. The logo of Hungária Öko Garancia Ltd

Source: Teaching Material 7, 2012

Graph 4. The logo of Biokontroll Hungária Nonprofit Ltd

Control bodies in the European Union

Similarly to Hungary, in the majority of EU member states, control bodies are designated to carry out certification and supervisory functions. The competent authority of each member state issues a specific code number for each accredited control body operating within its territory, e.g. Austria BioGarantie GmbH – AT-BIO-301. Therefore, it is possible that some commercially marketed organic products may carry the logos and code numbers issued by European Union member states other than where they are being marketed (www.nebih.gov.hu 2015).

Source: http://ec.europa.eu/agriculture/organic/downloads/logo_hu

Graph 5. Salzburger Landwirtschaftliche Kontrolle GmbH (SLK) Code number of the control body (Austrian)

Source: http://organicrules.org/2025/1/LACON_EU_logo.gif

Graph 6. *Lacon GmbH Code* number of the control body (Austrian)

Source: http://www.icea.info/en/

Graph 7. ICEA – Istituto per la Certificazione Etica e Ambientale (Cod. Min. IT – ICA) Code number of the control body (Italian)

Import of organic products from third countries

In order to import and market organic products from third countries, i.e. non-EU member states, a number of conditions must be met. It is Commission Regulation (EC) No 1235/2008 which lays down the rules for such imports. Imports are classified into two categories: the compilation of third countries where given product groups are considered equivalent and could be imported into the EU and the compilation of recognized control bodies and control authorities for the purpose of compliance.

The specific groups are listed in the annexes of Regulation (EC) No 1235/2008:

Certified organic products from third countries could be imported if the country of origin is listed in Annex III of Regulation (EC) 1235/2008 or if the country is considered a safe country of origin but the product category intended to be imported into the EU or the control body by which it is certified are not included in the preceding Annex. Furthermore, imports from third countries are permissible if the organic products were certified by control bodies or authorities recognized for equivalence, as stipulated in Article 10 of Regulation (EC) 1235/2008, or the imported products were certified by the prior control bodies and authorities and which are listed in Annex IV of the Regulation (list of control bodies and control authorities for the purpose of equivalence and relevant specifications referred to in Article 10) and belong to one of the product categories enumerated (Teaching material 7, 2012).

For products from third countries, compulsory labelling requirements on packaging include the code number of the control body, country or place of origin; the use of the Community organic logo is not mandatory; however, if it appears on the packaging, it must appear in a manner that satisfies all pertinent requirements.

Source: http://organicrules.org/1815/

Graph 8. Code number of BCS Öko-Garantie GmbH, a German control body, for certifications in China

The focus-group research

In connection with the topic, the National Board Against Counterfeiting commissioned Industorg Védjegyiroda Minőségügyi Kft. (Industorg Trademark Quality Assessment Ltd) to conduct a research study, which was accomplished in cooperation with the Homo Oecologicus Foundation and the Hungarian Academy of Sciences (HAS) Centre for Social Sciences – Institute for Sociology. The main motivation for the study was that thus far no comprehensive analytical research work focusing on both the market actors and consumers has been carried out in Hungary.

The goal of the study was to accurately measure the market of locally produced and marketed organic food items in Hungary. Additionally, it aimed through the use of focus groups and personal interviews to demonstrate the approach and opinions of Hungarian consumers, producers as well as retailers toward organic products.

An issue of prime significance in the case of organic products is the clear definition of counterfeiting. If the suspicion of counterfeiting appears, it must be first and foremost determined whether the producers or retailers, by rigorously adhering to all pertinent requirements, are justified in their use of organic labels and the EU organic leaf logo. For the consumers, these organic labels and the leaf logo are the clearest indication that the given food item was sourced and produced in compliance with the existing strict requirements; therefore, the focal point of the research work was to map the presence or lack of consumer trust or confidence in relation to these symbols.

In the research, a number of distinct topics were emphasized, e.g. what can be considered organically-sourced products, how organic farming can be defined, how reliable the labelling on the packaging of organically-sourced products is, how can consumer interest be raised in connection with organic products, and why it is worthwhile to purchase and consume organic products.

Results of the focus-group study

The study followed the snowball sampling method in a focus-group discussion format. The number of participants was 15 x 5 individuals of whom two-thirds were women and one-third were men. The medium age of the women was 41.6 and of the men 47.6 years. The sample participants were in majority white-collar workers (67.4%), similar to the research studies on employment data (Hungary in Figures 2014 – Hungarian Central Statistical Office – KSH publication).

The focus-group discussions aimed primarily to gain insight as to what the participants representing consumers who are not actively involved in the organic products sector believe the designation 'organic' stands for and what organic farming encompasses according to their definition. It was the aim of the study to ascertain what impact organic farming has on their everyday lives and the level of information they possess on the health benefits offered by the use and consumption of organically-sourced foods and products.

For the question "What can be considered in your opinion an organically sourced-product?" (Question 1), 56% of the focus-group participants gave an acceptable definition as to what constitutes an organic product, whereas 44% did not or could not provide an answer.

"Chemical and additive free foodstuff"; "Products containing only natural ingredients. They do not contain additives and artificial colours."

The consumer group responded to the question "What is considered organic farming?" (Question 2) mainly in conjunction with the first question. At this question, 30.6% of the respondents deliberated on the term, and indicated that they prefer the 'bio' designation during the course of the study as opposed to 'öko', even though 25.3% of them were fully aware that academic literature does not use 'bio' in reference to organic products. However, 74.7% of the participants either did not possess any or had incorrect information on or did not concern themselves with the terms employed.

"In organic farming, fruits and vegetables cannot be sprayed with synthetic pesticides, the use of artificial fertilizers and other chemicals are not permissible. Animal feed must not contain any chemicals either."

"Organic farming uses no artificial fertilizers and synthetic chemicals in the cultivation of plants and the raising of animals."

The question concerning the importance of organic farming partially served to supplement the previous questions and in part aimed to map the personal experience of the participants. The responses given to the question "How beneficial is organic farming in Hungary from the consumers' point of view?" (Question 4)[1] diverged from the previous ones and showed a markedly higher level of scepticism. About 36% of the respondents viewed organic farming as becoming more popular, especially among those emphasizing healthy lifestyles. 26% hoped that the consumption of organic products will further rise and consumers will become more health conscious and open-minded. Simultaneously, 22.6% believed that a sizable portion of the consumers have no first-hand experience with these products and are even uncertain whether they have any actual health benefits. Of the respondents representing the consumers' group, 15.4% gave a negative or not applicable answer.

"Organic products are not so readily available in Hungary. For most people, the price can be prohibitive, that is they simply can't afford to pay for high-quality products."

"The same segment purchases them for whom healthy eating and general well-being are also important."

It appears to be a generally accepted notion that consumers identify organic products as healthy choices. In the focus-group discussion, 97.3% of the participants representing the consumer side responded positively to the question "Is it commonly held that organically-sourced products are often equated with healthy eating habits" (Question 6).[2] Consumers believe that any organically-sourced product must be of necessity also a healthy choice.

The consumers' opinions expressed to the question "What makes organic products healthy options?" (Question 7) included guaranteed freshness, chemical-free cultivation, and positive effects on the human organism. Some of the responses from the consumers' side gave a perfect illustration why organic products are considered healthy by the public.

"They do not contain any artificial additives and material, and are healthier than food produced under normal farming practices."

"They constitute an essential element of life. You are what you eat! In the long-run, they can contribute to health preservation by being integrated into our consumer culture."

Consumers in Hungary encountered organically-sourced products in the following categories: fruits (34%), vegetables (23%), and dairy products (12%) as

1 The exact wording of the question asked was: "What is your opinion about how important organic farming is in Hungary from the consumers' point of view?"

2 The exact wording of the question asked was: "It is a generally held notion that organically-sourced products are identified with healthy eating or dietary habits. Do you agree with this statement?"

the most common ones; however, other categories, such as meat (5%), grains (10%), and bakery products (4%), are becoming more popular as well. Additionally, respondents mentioned confectionary items and alcoholic beverages (2-2%) as well. In individual preferences for available food items and products, there is a strong link whether there is any interest or demand on the consumers' side for organic products; if there is such demand, then its level should be ascertained and also the price range properly calculated at which these products are still commercially marketable.

To the question "What is the level of demand among consumers for organically-sourced products?" (Question 12), 46.6% of the respondents stated that they are less active but still conscious consumers and buyers of such products although they only selectively purchase them. 30.6% of the participants clearly stated that many simply cannot afford these types of products, given the assumed, not too beneficial price–value ratio. On the other hand, 21.3% believed that consumers show an active interest in buying organically-sourced products. Those belonging to this latter group, have considered healthy living and eating habits of great significance in their lives for many years.

For the question "How affordable are organically-sourced products?" (Question 11), the consumers' group clearly indicated that organic goods are too expensive. According to 37.3%, only a certain segment of consumers can afford them, and 25.3% consider them to have an unfavourable price–value ratio, thereby making them unappealing for many customers.

"With all the environmental pollution around us, they offer a good price–value ratio, but when it comes to price they are simply too expensive."

"Retailers tend not to offer them as promotional items."

By surveying the contents of the interviews conducted within the focus groups, it can be deduced that consumers are by and large familiar with organically-sourced products, yet, due to the prohibitive prices, they cannot afford them. However, we encountered groups of respondents who either had no or very limited information concerning this product category; consequently, they do not purchase them and could be included in the study only with difficulty due to lack of interest or trust.

For the question "In what ways do you think can consumer interest be raised for organically-sourced products?" (Question 12), 37.3% of respondents most prominently named a change in pricing practices for the sake of affordability; 26.6% think that an important factor is to provide adequate information about the authenticity and added values of organic products, and 8% mentioned that to raise the public's awareness of organic goods is to make them more widely available commercially. 9.7% of the consumers referred to two points simultaneously: on the one hand, making organic goods available on a wide scale, while at the same time pricing them at levels that place them within the reach of the average consumer. About 4% of the consumers' group indicated three aspects as of prime importance, i.e. the authenticity of organic products, making them widely obtainable, as well as proper and affordable pricing.

Concerning the question whether "In your opinion are organic labels and logos used illegally?"(Question 13), 64% of the respondents answered positively, 23% stated that improper or unwarranted use is not common, and 13% either had no information about it or did not concern him/herself with this question.

"Counterfeiting is practised, but I do not know how they do it – perhaps they include additives which are not listed on the packaging."

For the question on the wilful mislabelling of products, "Which products are most commonly misrepresented as organic?" (Question 14), respondents mentioned fruits and vegetables in 37–28% of the cases, 7% indicated meat products, 14% bread and bakery products, and 10% stated that all the already listed product categories are being counterfeited. The consumers held diverse opinions about the value and content of organic labelling and logos; these were certainly influenced by the level of faith or distrust they had in the actual validity of products claiming to be organically sourced. For the question "How trustworthy is organic labelling or logos on products claiming to be organically sourced?" (Question 16), 52% of the consumers believed that counterfeiting is widely practised; of these, 28% further stated that for them organic labelling is not a credible indicator of quality. However, 20% of the consumers responded that if a product carries organic labelling it must be genuine, guaranteeing the quality of the given article.

"I do not have any faith in the labelling as I cannot actually have these products analysed, they may put on such logos only to generate sales at higher prices."

"I consider them genuine. To be labelled as such you have to fulfil stringent criteria. If a product carries the organic logo, it means that it can be traced from the cultivation/production all the way to the store shelf."

From the responses, it can be ascertained that the study participants considered the credibility and trustworthiness of organically-sourced products and deemed it important to have an official certifying body for this purpose. Of the consumers, 58.6% did not know which organization carries out the certification of organically-sourced products in Hungary; 6% assumed that such a body does exist but have no specific information about it; 22% were certain that such organization does exist; of these, 3% mentioned Biokontroll Hungária Nonprofit Ltd, 4% Hungária Öko Garancia Ltd, 4% the National Food Chain Safety Office, 2% the Central Environmental and Food Research Institute and the Hungarian Chamber of Agriculture; 13.6% of those surveyed did not provide an answer to this question.

The focus-group discussions were concluded with a question concerning the purchasing habits of consumers of organically-sourced products.[3] Here, the

3 18: "Where or from which retail outlet do you purchase organically-sourced products if any? (e.g. from farmers, supermarkets, specialized shops, or some other venues)."

primary emphasis lay on the actual buying habits in relation to organic goods. Those consumers who purchase organically-sourced products primarily prefer small farmers (33.3%), secondly supermarket chains (14.5%), thirdly specialized organic stores (11.8%), and lastly all other small retail outlets (13.8%) to acquire such goods. Some rely on their family or social networks to make these purchases, yet others favour various drug store chains, e.g. Müller Drogéria, Rossmann, or DM (12%). 2% only rarely while 4% only in specialized organic shops and small-sized retail outlets make such purchases and 8.6% never buy any organic products.

Summary of the main findings of the empirical and theoretical study

The consumers, producers or manufacturers, as well as the retailers of Hungarian organically-sourced products, based on a small sample size study and personal interviews, while cannot give a precise definition of what constitutes organic products, are fully aware of what they refer to. Research carried out among consumers indicated that there are two distinct groups present; on the one hand, those who are active consumers of such products, and therefore they are normally knowledgeable about the production process of such goods; while, in the other group, there are those who are often disinterested and do not have any information about organic products.

The participants of the study confirmed the validity and effectiveness of the use of organic labelling on the Hungarian market. The retail sector recognizes the quality and has a high regard for products carrying organic logos. In contrast, the consumers participating in the study showed mixed results. Customers purchasing organically-sourced products are mainly motivated by the availability of healthy choices for lifestyle and dietary needs, which, however, is also influenced by the prevailing prices for such products. Consumer demand can be increased by making information easily accessible on the beneficial effects of organic products and increasing the level of trust consumers have in such articles. Counterfeiting is undeniably present in the entire spectrum of organic products. This phenomenon is apparent form the side of the consumers as well as producers/manufacturers, retailers, and the organic certification agencies, and it especially affects the categories of vegetables, fruit, bread, and other bakery products.

A counterfeit product does not necessarily pose a health hazard; rather, it means that the production or cultivation of the specific article does not meet the strict criteria for organic farming and production.

Consumers who purchase organic products on a regular basis mainly obtain them from small organic farmers; nevertheless, the number of those relying on organic shops or supermarket chains is also substantial.

The various actors of the organic market are fully aware of the legal consequences of counterfeiting, and they recommend additional measures such as the identification of counterfeit products and making their sources public, the compilation of a blacklist of counterfeiters, and increased cooperation between state and private actors for the better prevention of counterfeiting. Among the market participants and consumer groups, there is a clear call for more pronounced action against counterfeiting, for which one strategy could include better and wider dissemination of information, education, and training.

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