

USDA National Organic Program

National Organic Standards Board Meeting
November 16, 2016

Miles V. McEvoy, Deputy Administrator
USDA Agricultural Marketing Service
National Organic Program





NOSB members terms ending in January 2017

- Tracy Favre, Texas
- Jean Richardson, Vermont
- Zea Sonnabend, California
- Carmela Beck, California
- Harold Austin, Washington State

NOSB Appointments



Organic Handler Representative

Ms. Joelle Mosso, Fresno, California

Ms. Rosso is currently the Product Line Manager at Olam International, Ltd., one of the largest suppliers of processed organic tomatoes. She has previously served as Senior Manager of Strategic Quality for The White Wave Foods Company/ Earthbound Farm from 2014 - 2016, and as Senior Manager for Quality, Food Safety, and Organic Integrity at Earthbound Farm from 2009 - 2014. Ms. Mosso has a Master's in Food Science and Microbiology, and is also well-versed in organic seed use, supply limitations, and consumer and grower perspectives.



Public Interest or Consumer Interest Representative

Ms. Sue Baird, Bunceton, Missouri

Ms. Baird serves as the Executive Director of the Missouri Organic Association dba Mid-America Organic Association which educates consumers and farmers about the advantages of organic food and production practices. She also serves as an independent organic consultant, inspector and reviewer. Ms. Baird holds a Master's in Animal Science and Poultry Diseases, and has served on local, state, regional and national Boards that serve the organic community and industry. Since 1995, she has owned and operated a calf/cow operation.



Environmental Protection and Resource Conservation Representative

Dr. Asa Bradman, Berkeley, California

Dr. Asa Bradman is at the School of Public Health, University of California in Berkeley. Dr. Bradman is the Associate Director of the Center for Environmental Research and Children's Health; an Adjunct Associate Professor of Environmental Health Sciences; the Co-Founder and Associate Director, Center for Children's Environmental Health Research; and the Director of the Initiative on Environmental Quality in Childcare. He also serves as a member of the Board of Trustees of the Organic Center, and has reviewed conventional and organic agricultural inputs and materials. Dr. Bradman's PhD is in Environmental Health Sciences with a background in Conservation Resource Studies.



Organic Farmer Representative

Mr. Steve Ela, Hotchkiss, Colorado

Mr. Ela is a partner and manager of Silver Spruce Partners dba Ela Family Farms that has been a certified organic farm and fruit orchard since 2004. The operation is also certified for the processing and handling of organic fruit butters and other fruit products, and he serves as a Consultant to Gerber Products Co. Mr. Ela has a Master's in Soil Science, and has served on a wide variety of Boards and Advisory Committees addressing food and agriculture issues nationally, regionally, and locally.



Scientist (toxicology, ecology, or biochemistry) Representative

Dr. David Mortensen, State College, Pennsylvania

Dr. Mortensen is currently a Professor of Weed and Applied Plant Ecology at Penn State University, and served previously as a Professor of Weed Ecology at the University of Nebraska from 1987 to 2001. He is the current Chair of the Pests and Beneficial Species in Agricultural Production Systems Foundational Program, USDA National Institute of Food and Agriculture competitive grants program. Dr. Mortensen serves on the Board of the Pennsylvania Association for Sustainable Agriculture and is a member of the Rodale Farming Systems Advisory Committee. He has a PhD in Crop Science & Soil Physics.

The National Organic Program (NOP)



- **Mission:**
Ensure the integrity of USDA organic products throughout the world
- **Vision:**
Organic Integrity from Farm to Table,
Consumers Trust the Organic Label
- **Core Role:**
Implement the Organic Foods Production Act and the USDA organic regulations

AMS-NOP Strategic Plan 2015-18



Protect
Organic
Integrity

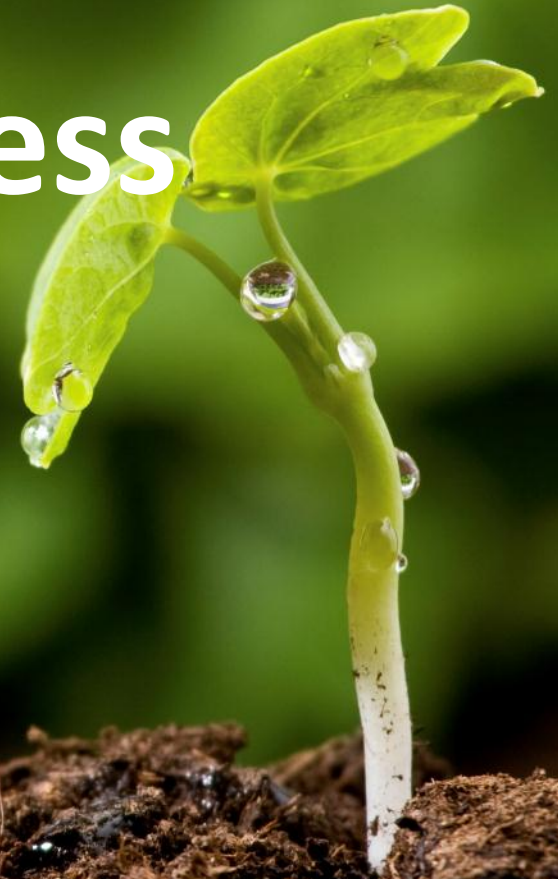
Market Access:
Local, Regional,
International

Clear
Standards

Build Technology that
Advances Organic
Integrity

People and
Process

People and Process



National Organic Program



- **NOP Staffing:** 45 employees in three Divisions and the Office of the Deputy Administrator
- **NOP Budget:**
 - FY 2012: \$6.919 million
 - FY 2013: \$6.369 million
 - FY 2014 – 2016: \$9 million

Oversight Responsibility:

- 80 certifying agents worldwide
- 31,000 certified organic operations in over 120 countries
- Over \$43 billion (43,000 million) in U.S. organic sales (2015)



- Training
 - Equipment
 - Work space
 - Appraisals
 - Work-life balance
-
- AMS is a great place to work. We are looking for a few high quality auditors and compliance officers. Hope some of you will consider coming to work for NOP to help protect organic integrity.

Process Improvement



- Internal Audit
- Management Review
- Peer Review
- Assessments by foreign governments
- Office of Inspector General – audit on organic equivalency arrangements.

Team approach

- Internal communications team
- Import oversight team
- OLPP team, FOIA team

Protecting Organic Integrity



10 Points of Organic Integrity



1. Clear/enforceable standards
2. Communication
3. Transparency
4. Certification
5. Effective Complaint Process
6. Penalties
7. Market surveillance
8. Unannounced inspections
9. Periodic residue testing
10. Continual improvement

Compliance & Enforcement

FY 2015 and 2016



	FY 2015	FY 2016
Compliance & Enforcement: Overall Summary	10/1/14-9/30/15	10/1/15-9/30/16
Incoming Complaints	549	499
Completed Complaints	390	357
Summary of Initial Actions Taken		
Cease & Desist Orders	36	31
Notices of Warning	121	111
Civil Penalties Levied		
Total Number	8	9
Total Amount	\$1,872,875	\$397,750

Compliance & Enforcement

FY 2016



- Posting Enforcement Documents
 - Highlights enforcement of OFPA and USDA organic regulations
 - Intended to increase transparency
 - Enforcement records involve certified and uncertified operations
- Document postings to date include:
 - 6 settlement agreements finalized in FY 2016
 - 6 AMS Administrator Decisions finalized in FY 2016; ALJ hearings requested for 3 of the 6 cases posted
 - Over 25 ALJ decisions and orders from 2004 through 2016
 - A link to all Judicial Officer Decisions and Orders since 2004
- NOP plans to post new and historical documents going forward

Notable Enforcement Actions



Yorgo Foods Inc.

- On April 1, 2016, a USDA Administrative Law Judge entered a consent decision regarding the sale of agricultural products as organic without certification by Yorgo Foods, Inc.

Yorgo agreed to a three-year suspension of its organic certification and a civil penalty of \$880,000, with \$540,000 held in abeyance, provided it complies with the OFPA and the USDA organic regulations during the period of suspension.

Saul Farms

- On March 30, 2016, Bernard Saul pleaded guilty to wire fraud and money laundering in connection with the sale of conventional alfalfa seed as organic. NOP and the Idaho State Department of Agriculture assisted the USDA-OIG with the investigation.

Freedom of Information Act (FOIA)



- Since 1967, the Freedom of Information Act (FOIA) has provided the public the right to request access to records from any federal agency.
- Federal agencies are required to disclose any information requested under the FOIA unless it falls under one of nine exemptions which protect interests such as personal privacy, national security, and law enforcement.
- The FOIA also requires agencies to proactively post online certain categories of information, including frequently requested records. As Congress, the President, and the Supreme Court have all recognized, the FOIA is a vital part of our democracy.
- President Obama and the Department of Justice have directed agencies to apply a presumption of openness in responding to FOIA requests. AMS works in a spirit of cooperation with FOIA requesters.

Freedom of Information Act (FOIA)



- FOIA requests are processed within 20 business days.
- NOP staff responsible for identifying responsive records.
- Records must be reviewed to:
 - Ensure they are responsive records
 - Redact information that falls under the 9 FOIA exemptions
- Some FOIA requests are straight forward, many involve hundreds or thousands of pages, and years of records.
- Currently 4 NOP FTE staff members and 2 full-time contractors are dedicated to FOIA. Additional staff support assists as needed.

Organic Integrity Database



Vision: The Organic *INTEGRITY* Database



The Organic *INTEGRITY* Database is a modernized certified organic operations database that:

- Contains up-to-date and accurate information
- Increases supply chain transparency
- Enhances the integrity of the organic control system

Project Successes:

- Public website in September 2015
- Certifier upload site launched in November 2015
- Search, reports and data access improvements, including web services, launched throughout 2016
- Certifier Locator launched in May 2016
- Operation Certificate Module launched in October 2016
- Project team has won both AMS and USDA Awards



Certifiers and data users continue to play a critical role in building INTEGRITY:

- A full quarter of certifiers participated in the original user group and provided feedback on the Certificate Module concept
- Over 40,000 operations are listed in the database (certified, suspended, revoked, surrendered)
- Regular outreach to certifiers includes one-on-one feedback sessions and technical assistance, eNewsletter updates, and webinars
- User feedback helps us learn about search, report and other needs

What's Coming for INTEGRITY: Late 2016, 2017



- **Improvements to make system faster – highest priority!**
- Certificate Module enhancements
- Data analysis tools and more data reports
- Commodity reports with aggregate acreage to support transition of certifier survey data collection from NASS to INTEGRITY.
- Finalize taxonomy: 1/3 of certifiers are actively using the product taxonomy – we want this number to grow!
- System administration tools (so we can run the system in-house).
- Working closely with certifiers to improve data quality and to encourage frequent data uploads.

Other Technology Initiatives



- We are also investing in technology to streamline and fully standardize NOP's accreditation processes and workflow
- Will save time and resources for audit scheduling, report generation, report reviews, and basic certifier contact management
- Tool will ultimately offer certifiers ways to transmit information to the NOP more easily:
 - Streamline corrective action submittal and reviews, annual report submittals, adverse actions, and other data/document exchanges
- NO new technology investments will be needed for certifiers to benefit from these new capabilities – but will make it easier for certifiers to provide information.

Clear Standards



Rules



- Organic Livestock and Poultry Practices
 - Proposed rule published April 2016
 - Final rule in Inter-agency review at Office of Information and Regulatory Affairs (OIRA), Office of Management and Budget (OMB)
- Organic Aquaculture
 - Proposed rule in Inter-agency review at OIRA
- Sunset 2016 Final Rule (published August 2016)
 - Removed egg white lysozyme, cyclohexylamine, diethylaminoethanol, octadecylamine, tetrasodium pyrophosphate from National List

Treated Lumber Draft Guidance



- Lumber treated with arsenate or other non-allowed synthetic substances cannot come in contact with soil or livestock.
- Organic farmers use lumber for fences, farm buildings and structures, animal housing
- Lumber treated with arsenate or other prohibited synthetic materials can't be used in organic production areas or come into contact with any part of an organic crop.
- The draft explains how organic producers can prevent soil, crops and livestock from contacting lumber treated with prohibited substances.
- Comment period closed October 31

Materials Review Instructions



- Issued as Interim Instructions – effective upon issuance with request for comments
- Based on NOSB recommendations (2011 and 2012)
- Clarifies certifier responsibilities for reviewing substances used by organic producers and handlers
 - Maintain documentation to support determination for all substances used
 - Demonstrate qualifications of personnel conducting materials review
 - Have clear procedures

NOSB Recommendations 1994-2015



- Practice Standards
 - 178 recommendations
 - 149 addressed
 - 24 In Process (e.g. aquaculture, animal welfare)
 - 5 outstanding
 - Expiration dates on certificates
 - Inspector Qualifications
 - Retail Compliance and Certification
 - Mushrooms
 - GMO prevention strategy guidance

NOSB Recommendations 1994-2015



- National List
 - 280 recommendations
 - 254 addressed
 - Outstanding are recent and in process
- Sunset
 - 129 reviews completed
 - Sodium nitrate (in process for 2017)

Under Development



- Final Rule
 - Origin of Livestock
 - Organic Livestock and Poultry Practices

- Proposed Rule
 - Aquaculture
 - Apiculture
 - Pet Food
 - Import Certificates

Under Development (2017)



National List - implementing previous NOSB recommendations

Sunset – completing 2017 sunset process

Sodium nitrate proposed rule

Under Development (2017)



- Compost notice and comment rulemaking
- Improving oversight and control of organic trade
 - Eliminating exclusions for brokers, importers
 - Expiration dates on certificates
 - Unannounced inspections
 - Clarify compliance procedures
 - Identification of non-retail organic products

Guidance under development



- Final Guidance
 - Classification of Materials
 - Crop Materials
- Draft Guidance
 - Grower Groups
 - Calculation of Organic Ingredients
 - Materials Used in Organic Livestock Production
- Instruction
 - Import Requirements

Control Systems Accreditation, Certification Oversight



Background



- Organic trade expanding
- U.S. and EU organic market over \$80 billion
- Many governments have established organic standards and control systems
- Import requirements may be barriers for farmers/suppliers to access export organic markets
- Fraudulent certificates continue to be identified
- Alleged violations in foreign countries can be complex and challenging to investigate and enforce.

International framework



- Codex Alimentarius – 1999
- European Union organic regulations, USDA organic regulations
- ISO – IEC standards for conformity assessment
 - ISO 17011
 - ISO 17065, 17021

Organic control system



- Organic standards
- Certifiers verify that organic farmers and handlers comply with organic standards
- Accreditation body ensures that certifiers are conducting thorough and complete inspections, have qualified personnel, and are meeting all aspects of their responsibilities as certifiers
- Certifiers enforce the standards under their authority (Notice of Noncompliance, Notices of Suspension/Revocation)
- Competent authorities (governments) provide oversight and enforcement.

Equivalency



- Equivalent organic standards
- Competent authority provides effective oversight over accredited certifiers
- Control system has effective enforcement systems in place (e.g. civil penalties, stop sale)
- Ongoing assessments
- Annual reports
- Critical variances
- Ongoing cooperation on complaint handling and enforcement.



Mexico



Organic trade with Mexico



- NOP accredited certifiers operating in Mexico (23)
- NOP certified organic operations in Mexico (1635)
- In 2015, U.S. exports of selected organic products to Mexico totaled \$154 million.
- U.S. organic imports from Mexico in 2015, totaled \$141 million, led by coffee, avocados, and bananas.
- The Harmonized Trade Codes do not track many organic products and therefore, our organic imports and exports are undoubtedly much higher.

U.S. – Mexico negotiations



- Technical exchange of information –
 - SENASICA observe certifier audits
 - NOP observe apiculture, grower groups
- Peer review assessments
 - ISO 17011 criteria for competent authority (government)
 - ISO 17065 for control body (certifier)
- Negotiations –
 - Identify, discuss, resolve issues
 - Goal to reach mutual understanding and ensure confidence in respective control systems

Organic Compliance Committee



- Proactive strategy to strengthen compliance and enforcement
- Import certificates – CODEX guidelines
 - Implemented in January 2017
- Organic Compliance Committee
 - Track complaints
 - Monitor trends in non-compliances
 - Training for certifiers
 - Market surveillance residue testing
 - Support certifiers working in high security risk areas



Equivalency Arrangements

- Verify Critical Variances for exports
- Review Attestation Statements for imports and exports
- Verify Labeling Requirements
- Issue certificates for exports
- Verify authenticity of NOP Import Certificates

Recognition Agreement

- Verify authenticity of organic certificate from recognition country certifiers

Strengthening the control system



- Organic Import Certificates
 - Required under equivalency arrangements
 - Included in Codex guidelines
 - Assists in product tracking, audit trail, enforcement
- Requiring certification of importers, brokers, traders
 - Assists in product tracking, audit trail, enforcement
- Clear identification of organic imports
 - Electronic records
 - Database tracking and notification
- Audit trail from farm to market
- Better data on organic trade

Strengthening control systems



- Inter-American Commission on Organic Agriculture
 - Strengthening Control
 - Building internal markets
 - Technical support
- Certifier training
- Competent Authority training

An Organic Future



- Enhance organic control systems
- Provide support to farmers, handlers, and others interested in organic production and marketing
- Clarify and improve organic standards



Thank You

Organic Integrity from
Farm to Table,
Consumers Trust the
Organic Label

www.ams.usda.gov/nop

