



The **ORGANIC INTEGRITY** **QUARTERLY**

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

The Organic Literacy Initiative

Have you ever struggled to find information on or someone to talk to about a USDA program? The USDA has developed a guide to organic and organic-related programs, and is implementing a department-wide training program to improve service to current and prospective organic stakeholders. USDA has also developed a toolkit that helps farmers and businesses answer the question, “is organic an option for me?”

In response to requests from the organic community, USDA developed these materials to help connect current and prospective organic operations with appropriate USDA resources. Through this effort, USDA staff will be better equipped to help current and prospective organic customers:

- Obtain technical and financial assistance.
- Insure crops and livestock.
- Access and fund research.
- Secure loans.
- Develop conservation practices.
- Find current organic price information.
- Access local, regional, and international markets.

View Resources: www.ams.usda.gov/organicinfo

By 2015, the USDA hopes to have 20,000 certified organic farmers and businesses in the United States (U.S.). We’re well on our way to achieving this goal, but we’re not there yet. Agencies across the USDA are distributing these materials to their teams, so they can help current and prospective organic operations fully benefit from USDA services.

As you know, the organic sector is thriving—supporting environmental stewardship, meeting consumer expectations, and creating jobs. We hope you will use and share these materials widely, helping additional farmers and businesses determine, “is organic an option for me?”

Sincerely,

Miles V. McEvoy

Deputy Administrator, National Organic Program





The “Origin” of Origin of Livestock Rulemaking

In general, the USDA organic regulations require that all organic livestock be under continuous organic management from the last third of gestation. However, there are a few exceptions to this rule, including one for dairy animals transitioning into organic production. Over the last few years, the organic community, including the National Organic Standards Board (NOSB), has provided input about the need to revise this section of the USDA organic regulations. The NOP is working on a rule that would specify how this transition should work and clarify that, once a transition to organic production is complete, all dairy animals born on or brought onto the farm must be under organic management from the last third of gestation. Much of the organic community feels this approach would be consistent with language in the preamble to the NOP final rule (see callout below). Stakeholders have also asked for changes on the management of breeder stock used in organic production.

How does NOP plan to address origin of livestock?

In response to NOSB recommendations and the broader organic community, the NOP is developing a proposed rule to change the regulations on the origin of organic livestock.

What progress has the NOP made?

While much of the Standards team has been tied up working on Sunset 2012 rules this year, the Division has completed a number of critical milestones that are necessary for rulemaking to move forward. We recognize there is a great deal of interest in seeing progress on this rule among organic stakeholders and wanted to share our progress to date in two important areas: public consultation and economic impact assessment (*continued on page 3*).

“After the dairy operation has been certified, animals brought on to the operation must be organically raised from the last third of gestation.”

“Finally, the conversion provision cannot be used routinely to bring non-organically raised animals into an organic operation. It is a one-time opportunity for producers working with a certifying agent to implement a conversion strategy for an established, discrete dairy herd in conjunction with the land resources that sustain it.”

- Preamble, 2001 Final Rule establishing USDA organic regulations

The “Origin” of the Origin of Livestock (continued from page 2)

Public Consultation

While the organic community has provided public comments on this issue over the years, some details of how to apply an exception for the transition of dairy animals still need clarification. For example, many comments from stakeholders suggested that a one-time opportunity to transition would apply to “an operation.” However, since businesses may lump or split operations for certification in different ways, the NOP was concerned about how this would be instituted in practice. Therefore, the NOP needed additional information to specify the appropriate unit to which a one-time opportunity to transition would apply. Over the past several months, the NOP met with representatives from the following organizations to seek additional input on issues that were not considered or resolved by previous comments:

- Organic Trade Association
- The Cornucopia Institute
- Northeast Organic Dairy Producers Alliance
- National Organic Coalition
- Accredited Certifiers Association, Inc.
- Multiple NOP-accredited certifying agents

The NOP has also talked to dairy producers to learn more about how organic dairies are currently sourcing their replacement heifers and how a change to the origin of livestock regulations would affect their businesses. For example, in August 2012, NOP staff visited several livestock operations in the southwestern U.S. that could be affected, including operations that raise replacement animals for the organic industry and operations that source these replacement animals.

Economic Impact Assessment

The NOP must consider the economic impact of any changes to the USDA organic regulations; if the action will significantly affect the industry, additional assessments and justifications are required. Based on stakeholder input, NOP decided that a preliminary analysis was needed to further understand how the rule may impact existing organic dairy operations and operations that raise replacement animals for the organic industry. To provide the necessary staff resources for this economic impact assessment, the NOP established a cooperative agreement within the Agricultural Marketing Service in September 2012. Over the next several months, the NOP will be working with this team of economists to facilitate progress on the origin of livestock rule.

When will a proposed rule be published for public comment?

Given our ongoing work on origin of livestock and the required internal review, it is challenging for us to predict when the proposed rule will be published. Instead, we wanted to share the types of issues we are facing while addressing the long-standing questions surrounding the origin of organic livestock requirements. To provide the organic industry with a clear, enforceable standard that will be applicable to all livestock producers—regardless of when they transitioned to organic production—these critical issues need to be carefully evaluated. Once the proposed rule is published, we look forward to your comments.

NOSB Meeting Preview

Fall 2013 in Rhode Island

October 15-18, 2012

Providence Biltmore | 11 Dorrance Street | Providence, Rhode Island

Learn more at www.ams.usda.gov/NOSBMeetings

Submit comments on proposals (deadline: September 24, 2012)

Spring 2013 in Oregon

April 8-12, 2013

Hilton Portland & Executive Tower

921 Southwest 6th Avenue

Portland, Oregon



USDA National Science Laboratory

The USDA National Science Laboratory (NSL), located in Gastonia, North Carolina, is a full service laboratory testing facility. This laboratory conducts the following types of analyses on raw and processed agricultural commodities:

- Chemical (including pesticide residue testing).
- Microbiological (including *Escherichia coli* testing).
- Biomolecular (including GMO testing).
- Physical (including percent composition testing).

These services help producers and stakeholders meet international regulatory requirements, domestic purchase specifications, and imported product testing requirements. The NSL has established a high level of quality assurance and has been accredited to ISO/IEC 17025:2005 by the American Association for Laboratory Accreditations for specific tests in the fields of chemistry and microbiology.

Pesticide Data Program

Each year, USDA publishes a report from the national Pesticide Data Program (PDP). Through cooperation with State agriculture departments and other Federal agencies, USDA manages the collection, analysis, data entry, and reporting of pesticide residues on agricultural commodities in the U.S. food supply. This program emphasizes commodities highly consumed by infants and children. Since 1991, the NSL chemistry staff have performed pesticide residue analysis for this important program. www.ams.usda.gov/PesticideDataProgram

In addition to public stakeholders, PDP data are used by multiple government agencies. The Environmental Protection Agency uses these data to prepare realistic pesticide dietary exposure assessments, while the U.S. Food and Drug Administration uses the PDP to address food safety issues. These data also help the Foreign Agriculture Service promote the export of U.S. commodities in a competitive global market. Additionally, the PDP has helped identify crops needing alternative pest management practices.

Residue Testing for Organic Products

In 2010, the NSL performed the testing for NOP's pesticide residue testing pilot study, which included 571 domestic and foreign fruit and vegetable samples bearing the USDA organic seal. A report of this study is forthcoming.

**Certifying agents, do you
need a lab for residue testing
or other analyses?**

Contact Roger Simonds at
roger.simonds@ams.usda.gov or
704-833-1525

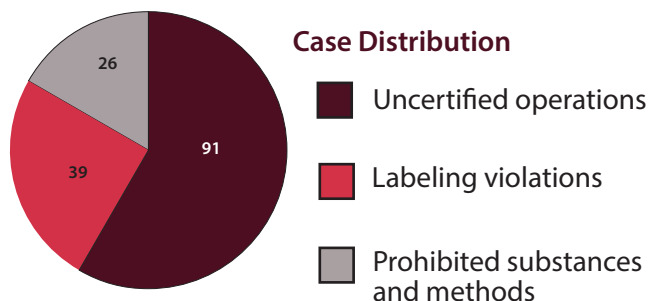


Organic Integrity Update

The NOP is committed to protecting the integrity of USDA organic products and creating a level playing field for certified operations. To accomplish these goals, the NOP enforces the USDA organic regulations to the fullest extent possible while protecting compliant operations from undue harm.

2012 Compliance and Enforcement Actions

Since January 1, 2012, NOP has issued seven penalties to willful violators totalling over 80 thousand dollars. The NOP also opened 177 complaint cases received from members of the public and closed 156 cases of suspected regulatory violations, taking enforcement action when the complaint was validated. The distribution of closed case types is shown to the right.



Certifying Agent and Trade Agreement Compliance Audits

The NOP audits certifying agents around the world to ensure they are applying the USDA organic regulations in an appropriate, fair, and consistent manner. Since June 1, 2012, NOP and other USDA staff have conducted the following compliance audits in the following states and countries, requiring corrective actions where appropriate:

- CCOF Certification Services – California/Maryland
- Department of Plant Industry – North/South Carolina
- Eco-Logica S.A. – Costa Rica
- Indiana Certified Organic – Indiana/Nebraska
- International Certification Services, Inc. – North Dakota
- MOFGA Certification Services, LLC – Maine
- Mayacert S.A. – Guatemala
- Minnesota Crop Improvement Association – Minnesota
- Montana Department of Agriculture – Montana
- Nature's International Certification Services – Wisconsin
- New Hampshire Department of Agriculture – New Hampshire
- Ohio Ecological Food and Farm Association – Ohio/Indiana
- Vermont Organic Farmers – Vermont
- Washington State Department of Agriculture – Washington

Help Us Protect Organic Integrity!

Suspended/revoked organic operations
<http://bit.ly/suspended-revoked>

Fraudulent organic certificates
<http://bit.ly/fraud-certs>

Suspected violation complaints
NOPCompliance@ams.usda.gov



Standards Update

Methionine. On September 19, the NOP published a final rule that renews the allowance for synthetic methionine in organic poultry production, but at reduced levels as recommended by the NOSB. Effective October 2, this essential amino acid will be allowed up to the following maximum levels per ton of feed:

- Laying and broiler chickens: 2 lbs
- Turkeys and all other poultry: 3 lbs

Sodium Nitrate. On September 12, the NOP published a notice regarding the use of sodium nitrate in organic crop production. Since sodium nitrate is a natural substance, it is allowed unless specifically prohibited in the USDA organic regulations. Those regulations currently state that sodium nitrate can only be used to provide 20 percent or less of a crop's total nitrogen requirement. After the current restriction expires on October 21, NOP expects continued compliance based on other sections of the USDA organic regulations.

Prior to October 21, 2012, operations must not:

Meet more than 20 percent of an organic crop's nitrogen requirement with sodium nitrate.
Regulatory reference: 7CFR section 205.602(g)

On/after October 21, 2012, operations using sodium nitrate must still:

Maintain or improve the natural resources of the operation, including soil and water quality.
Regulatory reference: 7CFR section 205.200

Comply with crop nutrient and soil fertility requirements.
Regulatory reference: 7CFR section 205.203

A proposed rule regarding the use of sodium nitrate is forthcoming.

National List Amendments. On August 2, the NOP published a final rule establishing exemptions for three substances:

Tetracycline, used to control fire blight; allowed only in organic apple and pear production until October 21, 2014.

Formic acid, used to control varroa and tracheal mites; allowed in honey bee hives only.

Attapulgate, a nonsynthetic processing aid used to purify plant and animal oils (continued on page 7)



Want to become an organic insider?
Sign up to receive email updates from the NOP
<http://bit.ly/NOPOrganicInsider>

Standards Update (continued from page 6)

Sunset 2012. On June 6, the NOP published a final rule renewing over 200 listings on the National List of Allowed and Prohibited Substances that were scheduled to expire this year. The rule also made changes to the following substances (unless otherwise noted, all renewals and changes were effective June 27, 2012):

Crops

- The allowed use of chlorine materials was clarified.
- The allowed use of lignin sulfonate was clarified.
- The listing for iodine, which is used to fortify organic foods, was clarified.
- Effective October 21, 2012, sulfur dioxide (smoke bombs) will no longer be allowed for rodent control.
- The allowance for streptomycin to control fire blight in organic apple and pear orchards was extended until October 21, 2014.

Handling / Processed Products

- The allowed use of non-organic colors was clarified. Organic colors must be used if they are commercially available.
- Only non-amidated forms of non-organic pectin, typically added to thicken jams and jellies, are allowed when organic pectin is not commercially available. Operations may reformulate their products until October 21, 2012.
- Effective October 21, 2012, yeast must be organic if commercially available and intended for human consumption.
- Effective January 1, 2013, hops, typically used in organic beer production, must be organic.

Learn more about each these actions by visiting the NOP Organic Insider archive: <http://bit.ly/insider-archive>. Please note that the Sunset 2012 listing for vitamins and minerals is being handled separately.



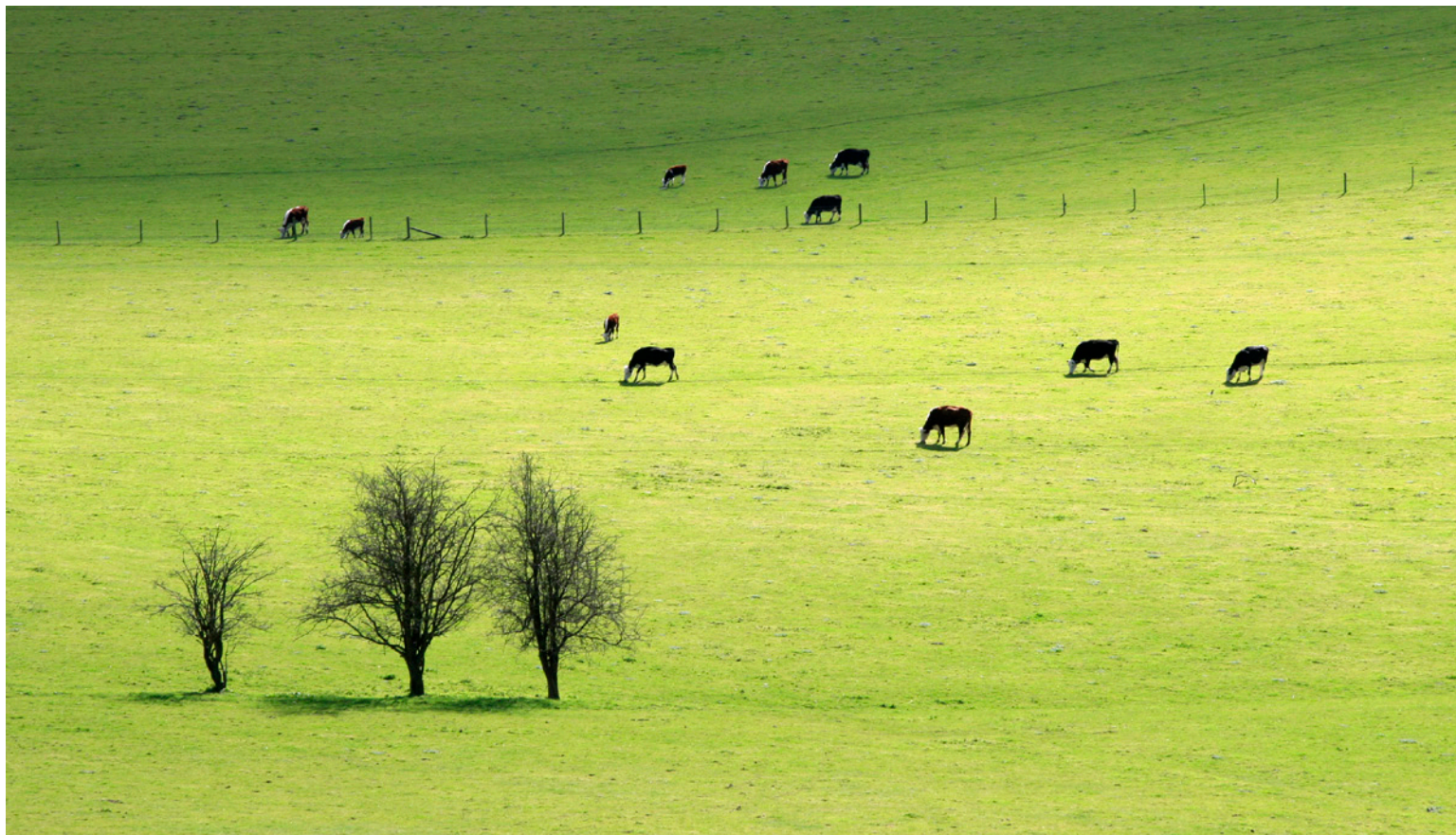
Streamlining Organic Alcohol Label Review

In addition to the USDA organic requirements, all alcoholic beverages must meet the Alcohol and Tobacco Tax and Trade Bureau (TTB) regulations, including specific sulfite labeling requirements. To ensure compliance with both regulations, all organic alcohol labels must be approved through the following steps prior to sale of the organic alcohol product:

1. Certifying agent* reviews images of alcohol label to determine compliance with USDA organic regulations.
2. Certifying agent* stamps or signs the alcohol label, verifying compliance with USDA organic regulations.
3. Certified organic operation completes TTB's Certificate of Label Approval (COLA).
4. Certified organic operation submits COLA and the alcohol labels approved by the certifying agent* to the TTB.

Effective immediately, organic operations don't need to include a copy of their organic certificate with their COLA application. However, if an uncertified alcoholic beverage manufacturer elects to include an ingredient statement identifying certified organic ingredients (e.g., organic hops) on the label, they must provide TTB with a copy of those ingredients' organic certificates. <http://bit.ly/ttb-documentation>

*Certifying agents include those directly accredited by the NOP, authorized through a recognition agreement with the U.S., or authorized by the European Union or Canada.



Drought Relief: Organic Ruminant Farmers

The drought of 2012 is the most serious to impact U.S. agriculture since 1988. As of August 29, 2012, Secretary Vilsack has designated 1,820 U.S. counties as natural disaster areas due to severe drought. While these severe conditions affect all farms in these counties, organic ruminant livestock operations—unless their pasture has access to irrigation—may not be able to meet the organic pasture requirements in the USDA organic regulations.

In addition to USDA's other drought relief efforts, Agricultural Marketing Service Administrator David Shipman granted a temporary variance in affected counties. Organic ruminant livestock—such as cattle, sheep, and goats—must consume at least 30 percent of their dry matter intake (on average) from certified organic pasture. The rest of their diet must also be certified organic, including hay, grain, and other agricultural products. Due to the severe drought, USDA is granting a temporary variance from the organic pasture requirements (Sections 205.237(c) and 205.240 of the USDA organic regulations) with the following restrictions:

- This temporary variance applies only to organic ruminant livestock producers located in counties declared as primary natural disaster areas by Secretary Vilsack.
- This temporary variance applies to non-irrigated pasture only.
- Instead of 30 percent, producers must supply at least 15 percent of their dry matter intake (on average) from certified organic pasture.
- This temporary variance applies to the 2012 calendar year only.

Is your county affected by drought and not currently designated as a natural disaster area?

Talk to your certifying agent. They can request that NOP consider granting your region an additional temporary variance.

This temporary variance applies to any additional counties USDA designates as natural disaster areas by earn more about the temporary variance and other USDA drought relief efforts at <http://bit.ly/organic-drought>.



Spotlight: Academy for Global Citizenship

The Academy for Global Citizenship, a public charter school located on Chicago's southwest side, provides a holistic approach to education. In addition to a rigorous academic program, their curriculum includes organic meals, yoga, gardening and environmental stewardship workshops, and healthy cooking demonstrations.

In addition to serving all students enrolled in the school, the Academy for Global Citizenship aims to inspire the way our society educates future generations. By producing a replicable model for holistic learning in a sustainable setting (including the construction of a net-positive energy campus), they hope other schools will adopt a similar approach. Their efforts have been recognized by both President and Michelle Obama.

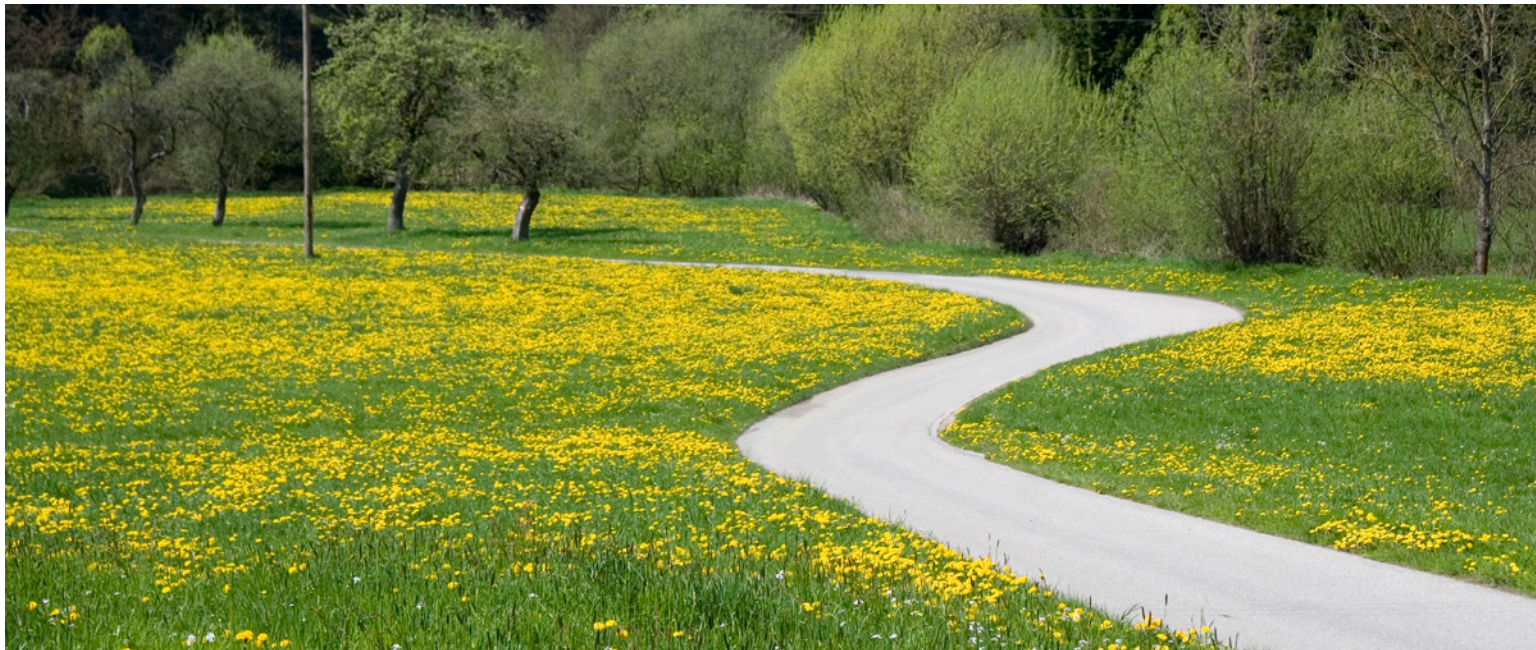
In addition to improving students' academic performance, the Academy for Global Citizenship uses their current organic production garden to provide school and community workshops on gardening and healthy cooking. They also plan to transform a vacant city lot into a second organic production garden. They provide an all-organic breakfast and lunch program for their students, 81 percent of whom participate in free or reduced meal programs.

The Academy for Global Citizenship is also interested in working with the National Organic Program to develop an organic school garden manual. While school gardens are not required to be certified, this manual will provide schools with the ability to understand and meet the organic production requirements. Learn more about the Academy for Global Citizenship at <http://www.agcchicago.org/netpositive>.

Organic Integrity through Information Technology

To guard against fraud, Quality Assurance International (QAI), an NOP-accredited certifying agent, has updated their organic certificates to include a Quick Response (QR) code that is unique to the certified operation. Auditors, regulators, inspectors, consumers, and supply chain members can then validate these certificates by scanning the QR code on a smart phone. The user will immediately be redirected to the certified operation's listing and product information on QAI's website, providing instant validation of the product certification. Products that are certified by QAI may also display the QR code on their product labels and packaging. Are you taking steps to combat fraud? We'd love to hear about it!





“No Findings” Office of Inspector General Report

On July 20, 2012 the USDA Office of Inspector General (OIG) released a “No Findings” audit report on the National List. This audit revealed that:

- National Organic Standards Board (NOSB) appointments meet statutory requirements.
- Petitions sent to the NOSB for review are complete and meet eligibility criteria.
- NOSB follows policies and procedures when reviewing petitioned substances.
- NOP and NOSB follow the mandatory “Sunset” processes to renew, remove, or change existing listings every five years.

This report affirms the vital role of the NOSB in developing and maintaining the National List with both openness and integrity. The Board’s recommendations are based on careful evaluation, sound science, and public input. The report reaffirmed that the selection process used by USDA to appoint NOSB members produced a properly balanced Board for the specific positions on the NOSB. USDA strives to appoint members to the Board that reflect the diversity of the U.S. organic agriculture and the American people.

The National List is a living part of the USDA organic regulations. The Board uses a well-defined set of objective criteria in evaluating substances petitioned for addition to the National List. These criteria include determining that the substance is not harmful to human health or the environment, is necessary in organic production and handling, and is consistent with organic farming and handling principles. Public comment opportunities, both during Board evaluation and during subsequent rulemaking by the NOP, support openness and transparency—core to the principles of organic agriculture.

The OIG is an important source of feedback to the NOP. An OIG audit of NOP in early 2010 provided findings that led to fundamental improvements across the program’s processes. Part 1 of the Organic Milk audit earlier this year provided valuable feedback as well, and the NOP is currently implementing recommendations from that audit.

The NOP thanks the OIG for helping protect the integrity of USDA organic products. <http://bit.ly/oig-national-list>

“In summary, we determined that AMS has adequate management controls in place for administering the National List of Allowed and Prohibited Substances. We did not identify any significant reportable issues and, as such, are not making any recommendations.”

- Office of Inspector General Audit Report, page 3

Fertilizer Falsely Represented as Organic Approved

On August 6, Kenneth Nelson, Jr. pleaded guilty to four counts of mail fraud for selling fertilizer products that were marketed as approved for use in organic production; these fertilizers contained synthetic ingredients prohibited under the USDA organic regulations. Nelson's company, Port Organic Products, Ltd., sold multiple fertilizers fraudulently marketed as organic-approved, including "Agrolizer," "Marizyme," and "Fishilizer."

Nelson represented that these fertilizers were made purely with materials authorized for organic agriculture, such as fish meal and bird guano, and had the fertilizers' labels state that the products met all USDA organic requirements and could be used by organic operations. Nelson later admitted that the finished fertilizers contained large amounts of synthetic materials not permitted in organic fertilizers or organic agriculture, such as aqueous ammonia, ammonium sulfate, and urea.

Nelson also admitted that he submitted false applications and documentation to the Washington State Department of Agriculture (WSDA) and the Organic Materials Review Institute (OMRI). Organic growers rely on organic material review organizations to provide lists of allowed fertilizers and other inputs. Since the submitted material stated that the fertilizers were made with approved materials, both organizations approved Port Organic Products' fertilizers.

This case is the product of an extensive investigation by the USDA Office of Inspector General (OIG) and the FBI with assistance from the California Department of Food and Agriculture, USDA Agricultural Marketing Service, and the Kern County Environmental Health Services Department. As a result of this incident, California implemented a new law, AB 856, which requires the registration, inspection, and review of all organic input materials marketed in the state for use in organic agriculture.

National List Update

National List Petitions. The following petitions to amend the National List were recently sent to the National Organic Standards Board for review:

Acidified sodium chlorite, petitioned to 205.603
Gibberellic acid, petitioned to 205.605

For use in aquatic animal production:

Chlorine
Lignin sulfonate
Tocopherols
Trace minerals
Vitamins

For use in aquatic plant production:

Chlorine
Lignin sulfonate
Vitamins B₁, B₁₂, H

Technical Reports. Technical reports are now available for the following substances:

Biodegradable mulch film made from bioplastics, petitioned to 205.601
Ferric phosphate (supplemental report), petitioned for removal from 205.601
Oxidized lignite, petitioned to 205.601
Amino acids for pet food, petitioned to 205.603
Ascorbyl palmitate, petitioned to 205.605
Beta-carotene, petitioned to 205.605
L-carnitine, petitioned to 205.605
L-methionine, petitioned to 205.605
Lycopene, petitioned to 205.605
Barley betafiber, petitioned to 205.606
Bergamot bitter orange powder, petitioned to 205.606
Lutein, petitioned to 205.606
Sugar beet fiber, petitioned to 205.606

View petitions and technical reports

www.ams.usda.gov/NOPNationalList

NOP Website Updates

The NOP encourages you to use and share these resources, helping current and prospective organic farms and businesses understand the USDA organic regulations:

Do I Need to Be Certified? This new fact sheet helps farms and businesses determine if they need to be certified or if there are any specific requirements they must meet. <http://bit.ly/who-certified>

Organic Certification. This updated fact sheet provides a brief overview for farms and businesses considering organic certification. <http://bit.ly/organic-cert>

Organic Labeling. This updated fact sheet summarizes the requirements for the four retail organic labeling categories, as well as labeling organic alcohol, textiles, and personal care products. <http://bit.ly/organic-labeling>

List of certifying agents. To help current and prospective organic operations find a certifying agent, NOP now provides two ways to find a certifying agent, their contact information, scope, and other details:

By name: Lists certifying agents alphabetically by name.

By location: Most NOP-accredited certifying agents may certify farms and businesses anywhere in the world. The domestic and foreign directories list certifying agents that have recently certified operations in specific U.S. states and foreign countries.

Handbook updates. On September 12, NOP published several new additions to the Program Handbook. This resource provides those who own, manage, or certify organic operations with guidance and instructions that can assist them in complying with the USDA organic regulations.

NOP 2609: Unannounced Inspections. Provides instructions to certifiers regarding unannounced inspections, including their scope and frequency.

NOP 2612: Penalty Matrix. Provides instructions to certifiers on how regulatory violations should be addressed and provides recommended penalties for violations of specific regulatory requirements.

Policy Memo 12-1. Clarifies that aquatic plants and their products can be certified under the current USDA organic regulations.

Policy Memo 12-2. Grants a transition period for the correct placement of the "certified organic by ***" statement on packaged products.

View the Program Handbook at www.ams.usda.gov/NOPProgramHandbook



NOP Staff Update



Patricia Atkins

Program Analyst, Office of the Deputy Administrator

In addition to her NOP role, Patricia is a member of the U.S. Air Force Reserves, stationed at Andrews Air Force Base. From August 3-15, 2012, she was deployed to Selma, Alabama in support of Operation Alabama Black Belt 2012. She participated in and supported austere military field readiness training that provided almost \$1 million worth of free health services to over 2,000 uninsured and under-insured Alabama residents. On August 20, 2012, Patricia was promoted to Staff Sergeant of the U.S. Air Force Reserves, working as a Dental Assistant and Clinical Floor Manager. The NOP is proud of you, Patricia, and we thank you for your service!