



September 2013

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

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Message from Administrator Anne Alonzo



Greetings! In May, I became the Administrator of the Agricultural Marketing Service, home of the National Organic Program (NOP). I continue to be inspired by the organic community's passion and commitment, and am honored that Secretary Vilsack has asked me to take an active leadership role to increase USDA's support of this growing sector.

I bring to this role a unique and diverse background in the public, private, and non-profit sectors, having held positions in food and agriculture, trade policy and promotion, sustainability and the environment, as well as marketing and public affairs. Most recently, I served as Vice President, Corporate Affairs at one of this Nation's largest food companies. While there, I was also elected Chair of the World Cocoa Foundation, an organization focused on creating a sustainable cocoa economy and improving the lives of cocoa-farming communities worldwide.

Organic agriculture is a bright spot in the U.S. economy. U.S. consumer sales of organic products stood at \$31.4 billion at the end of 2011, and are estimated at \$35 billion for 2012. At the start of this year, there were 17,750 certified organic farms and businesses in the United States.

This success is the result of hard-working farmers and businesses that are using farming methods that protect the environment, conserve biodiversity, minimize pesticides, and support animal health and welfare. Their efforts allow families to purchase healthy foods that embody these principles.

The Agricultural Marketing Service has supported the organic sector's growth by developing clear standards and upholding the integrity of the organic label. We have enforced a level playing field by taking action against farmers and businesses that violate the law and jeopardize consumer confidence in organic products.

To help open new markets for U.S. farmers and businesses, USDA has streamlined trade with multiple foreign governments. These trade partnerships allow U.S. organic products to be sold as organic in Canada and the European Union without maintaining certification to multiple standards. Expanding (*continued on page 2*)



Administrator Alonzo, continued from page 1

the reach of U.S. organic products creates opportunities for small businesses and increases jobs for Americans who grow, package, ship, and market organic products.

To better support the needs of organic farmers, USDA has already tailored several of its programs and services. For example, starting in crop year 2014, organic crop producers will no longer have to pay a 5 percent premium surcharge on their crop insurance policies. Additionally, smaller farms and ranches can now access more flexible “microloans” up to \$35,000, providing them with additional financing options. USDA has also provided Federal and university researchers with more than \$140 million to help improve the productivity and success of organic agriculture.

The Agricultural Marketing Service is currently working with each agency across USDA to find ways to enhance their support of the growing organic sector. For example, organic certification requires farmers to support biodiversity and conserve natural resources. Some farmers also participate in conservation programs through the Natural Resources Conservation Service (NRCS). Due to their compatible objectives, we are collaborating with NRCS to make it easier for farmers to participate in both programs.

Additionally, we launched the ‘Sound and Sensible’ Initiative to help farmers and processors spend less time on paperwork and other burdensome aspects of organic certification while continuing to meet high standards and protecting organic integrity throughout the product’s lifecycle. As part of this initiative, we are also working to identify what is keeping small businesses from getting certified organic and finding ways to remove these barriers.

Last month, I saw first-hand how organic farmers, processors, and certifying agents across the Northeast are protecting organic integrity from farm to table. It was gratifying to meet some of the founders of the organic movement that helped make the Organic Foods Production Act of 1990—and the organic industry as we know it—a reality. I look forward to meeting members of the California organic community later this month, and many more in the future.

Organic agriculture provides a myriad of benefits to consumers, the environment, livestock, farmers, farm workers, and local economies. Organic operations accomplish this by conserving our natural resources and biodiversity, supporting animal health and welfare, and receiving premium prices for their value-added products. Together, I hope we can help additional farmers, ranchers, and processors take advantage of these opportunities by becoming certified organic.

I sincerely appreciate the warm welcome to your community and look forward to continuing organic agriculture’s journey together!

Anne Alonzo, Administrator
Agricultural Marketing Service

Recognizing Toni Strother, NOP Staff 1992 - 2013

After 38 years of USDA service, Maria Antoinette (Toni) Strother retired on August 30, 2013. Toni is among a small corps of civil servants who prevailed over numerous obstacles throughout many years to launch the NOP in 2002.

Many of you will remember Toni’s infectious smile and generous spirit from early National Organic Standards Board (NOSB) meetings. As our “regulatory wizard,” Toni has shepherded hundreds of rules and notices through the clearance and public comment processes, managing 100,000+ comments on the pasture rule alone.

Toni’s exemplary service has contributed to every aspect of the NOP, including the NOSB, standards development, and organic alcoholic beverage compliance. We thank Toni for being a champion of organic agriculture at USDA from the beginning, helping nurture it into an important and growing sector of American agriculture. Congratulations, Toni – you deserve a break!





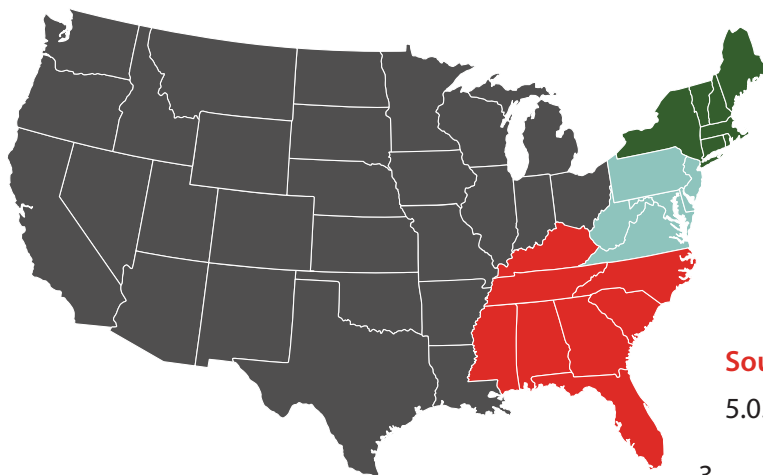
USDA Celebrates National Farmers Market Week

Administrator Anne Alonzo kicked off National Farmers Market Week at Washington, D.C.'s Columbia Heights Marketplace. After meeting each of the market vendors, Alonzo announced a steady increase in the number of reported farmers markets across the U.S. and the improved online directory that helps users find markets in or near their zip codes. 8,144 farmers markets are now listed in USDA's National Farmers Market Directory, up from about 5,000 in 2008. The Directory, voluntarily updated by farmers market managers, state departments of agriculture, marketing associations, and others, is published online at <http://search.ams.usda.gov/farmersmarkets>.

Local food and direct marketing opportunities, including farmers markets, are one of the fastest growing segments of agriculture. According to the latest Census of Agriculture, direct sales of food products from farmers to individual consumers rose by nearly 50 percent between 2002 and 2007. Worth an estimated \$1 billion in 2005, local food sales grew to \$4.8 billion in 2007 and nearly \$7 billion last year, according to industry estimates. For nearby businesses in major cities across the U.S., having a farmers market nearby means an average increase in sales of anywhere from \$19,000 to \$15 million (according to a Marketumbrella research paper published in 2012).

The 10 top states account for over half (51.3 percent) of all markets listed in the Directory database:

- | | | |
|---------------------|------------------------|---|
| 1. California (759) | 5. Ohio (300) | 9. Virginia and Missouri, up from 19th in 2012, tie (246) |
| 2. New York (637) | 6. Pennsylvania (290) | 10. Iowa and North Carolina, tie (229) |
| 3. Illinois (336) | 7. Massachusetts (289) | |
| 4. Michigan (331) | 8. Wisconsin (286) | |



2013 Farmers Market Sales Increase in Eastern U.S.

Northeast

29.11% share from farmers markets (27.48% in 2012)

Mid-Atlantic

11.98% share from farmers markets (11.65% in 2012)

Southeast

5.03% share from farmers markets (4.79% in 2012)

Farmers Markets, continued from page 3

USDA has taken several steps to support direct marketing farmers as part of our commitment to support local and regional food systems and to increase consumer access to fresh, healthy food in communities across the country.

The USDA launched a new interface for the National Farmers Market Directory in May, which helps consumers locate farmers markets nearby. This interface will encourage programmers to build cell phone apps and other tools based on USDA's real-time data, and is part of USDA's commitment to expanding opportunities for our local farmers markets and small businesses. <http://search.ams.usda.gov/farmersmarkets>

Additionally, USDA has outfitted more farmers markets with the ability to accept SNAP (Supplemental Nutrition Assistance Program), helping recipients gain access to fresh produce and healthy foods. USDA recently announced \$4 million dollars in available funding to help farmers markets and direct marketing farmers purchase and operate wireless point-of-sale equipment. Currently, over 3,800 farmers markets are authorized to accept SNAP, and farmers markets generate over \$16 million in SNAP sales.

Looking for a farmers market near you?

The Directory has a new interface, allowing users to enter a zip code and find their local market's:

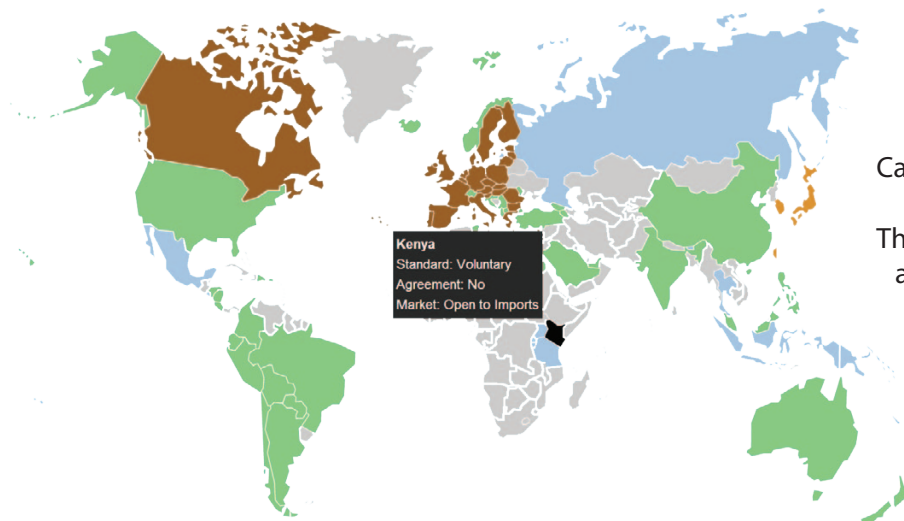
- Day(s) of operation
- Location
- Available products
- Payment options

USDA's Know Your Farmer, Know Your Food initiative serves the growing local and regional market segment. This Initiative coordinates and strengthens USDA's work on local and regional food systems. Learn more at www.usda.gov/wps/portal/usda/knowyourfarmer.

USDA Funds Global Organic Trade Guide

Launched in June, the Global Organic Trade Guide helps U.S. exporters find new international markets for organic products. The site's interactive map tool allows user to click on any country and learn if the country:

- Has organic standards and if they are enforced, plus a list of certifying agents and contact information.
- Has a trade partnership with the U.S., streamlining organic trade.
- Allows U.S. organic products to be sold as organic without a trade partnership.



Additionally, the map indicates whether the U.S. accepts organic products certified to that country's organic standards (currently limited to Canada, the European Union, and Japan).

The Guide also provides links to Federal and private trade data, market reports, trade show information, and organic news. This resource was launched by the Organic Trade Association and was funded by USDA's Foreign Agricultural Service. www.globalorganictrade.com



Standards Update

National List Final Rule: Crops + Processing

After reviewing public comments, the NOP has implemented changes to the following National List substances:

Potassium hydroxide. Allowed for peeling any processed peaches, rather than limited to peaches that are Individually Quick Frozen. Effective 5/29/2013

Silicon dioxide. Prohibited except (1) if used as a defoamer or (2) if organic rice hulls are not commercially available in the appropriate form, quality, or quantity to replace its use. Effective 11/3/2013, with all products in compliance by 11/3/2014

Beta-carotene extract color. Allowed from algae sources if organic beta-carotene is not commercially available. Effective 5/29/2013

Annatto extract color. Allowed from organic annatto sources only. Effective 11/3/2013, with all products in compliance by 11/3/2014

Peracetic acid. Continues current allowance. In addition, hydrogen peroxide products that contain small amounts of peracetic acid will continue to be allowed when products are relabeled to comply with new EPA requirements. Effective 5/29/2013

Time Investment to Meet Organic Requirements?

Every 3 years, we must estimate the amount of time organic stakeholders spend developing and maintaining required documentation. To provide more accurate data and guide future Sound and Sensible efforts, we asked organic farmers, processors, certifying agents, inspectors, and National List petitioners how much time they spend complying with the USDA organic regulations (comment period closed August 27, 2013). We thank commenters for their feedback and are assessing ways to reduce the burden. *Continued on page 6*

Fall 2013 National Organic Standards Board Meeting

October 22-24, 2013 in Louisville, Kentucky
View NOSB proposals + submit comments (deadline: 10/1/2013)
www.ams.usda.gov/NOSBMeetings

Spring 2014 Save the Date

April 29 - May 1, 2014
San Antonio, Texas
www.ams.usda.gov/NOSBMeetings



Standards Update, continued from page 5

FDA Guidance: Egg Safety + Outdoor Access

The U.S. Food and Drug Administration published draft guidance on its Egg Safety Rule. This guidance will help shell egg producers who provide their laying hens with outdoor access prevent *Salmonella Enteritidis* (SE). Specifically:

- Open outdoor areas aren't part of the poultry "house" and are therefore exempt from poultry "house" requirements.
- Covering the entire open outdoor area with netting isn't a requirement. Other effective wild animal deterrents, such as noise cannons, may be used instead of or in addition to netting.
- Vaccinating birds against *Salmonella Enteritidis* isn't a substitute for meeting specified egg safety requirements (*continued on page 7*).

Want to provide feedback?

FDA is accepting public comments through September 23
<http://bit.ly/fda-poultry-outdoor>

National List Update

Petitions. The following petitions to amend the National List of Allowed and Prohibited Substances were recently sent to the NOSB for review:

- Laminarin, petitioned to 205.601 (crops)
- Gibberellic acid, 205.605 (handling) - *addendum*

The following petition has been withdrawn:

- Lignin sulfonate (aquatic animals)

View petitions and technical reports
www.ams.usda.gov/NOPNationalList

Recent Technical Reports

- Acidified sodium chlorite, petitioned to 205.603 (livestock)
 - PGME, petitioned to 205.605 (handling)
 - Glycerin, petitioned for removal from 205.606 (handling)
- For use in aquatic animal production:*
- Lignin sulfonate
 - Tocopherols
 - Trace minerals
 - Vitamins



Standards Update, continued from page 6

Proposed Crops and Handling Substances

Based on recommendations from the National Organic Standards Board, the NOP is proposing allowing three substances in organic crops and handling:

1. Biodegradable biobased mulch film

Farmers wouldn't need to remove the biodegradable mulch at the end of the growing season, reducing waste and farm worker labor costs. The mulch couldn't contain genetically modified ingredients and would need to meet other requirements.

2. Nonorganic curry leaves (*Murraya koenigii*)*

3. Nonorganic *Citrus hystrix* leaves and fruit*

*Allows handlers to use the non-organic form of the ingredient only if the organic form isn't commercially available in the appropriate form, quality or quantity to replace its use.

Want to provide feedback?

The NOP is accepting public comments through October 21, 2013
<http://bit.ly/13-0011>

Organic 101: Can GMOs Be Used in Organic Products?

Over the past several years, many families have taken an active interest in how their food is grown and what it contains. To help consumers choose foods that meet their needs, we published an *Organic 101* article explaining our policy on genetic engineering, or genetically modified organisms (GMOs).

Since its publication in May, this article has remained one of the five-most read on the USDA blog. If you are interested in sharing it with your customers or other stakeholders, we encourage you to either print the next two pages double-sided as a handout or email the link to the article on the USDA blog. http://bit.ly/gmos_organic



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USDA National Organic Program

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<http://bit.ly/NOPOrganicInsider>



Can GMOs Be Used in Organic Products?



The use of genetic engineering, or genetically modified organisms (GMOs), is prohibited in organic products. This means an organic farmer can't plant GMO seeds, an organic cow can't eat GMO alfalfa or corn, and an organic soup producer can't use any GMO ingredients. To meet the USDA organic regulations, farmers and processors must show they aren't using GMOs and that they are protecting their products from contact with prohibited substances from farm to table.

Organic operations implement preventive practices based on site-specific risk factors, such as neighboring conventional farms or shared farm equipment or processing facilities. For example, some farmers plant their seeds early or late to avoid organic and GMO crops flowering at the same time (which can lead to cross-pollination). Others harvest crops prior to flowering or sign cooperative agreements with neighboring farms to avoid planting GMO crops next to organic ones. Farmers also designate the edges of their land as a buffer zone where the land is managed organically, but the crops aren't sold as organic. Any shared farm or processing equipment must be thoroughly cleaned to prevent unintended exposure to GMOs or prohibited substances.

All of these measures are documented in the organic farmer's organic system plan. This written plan describes the substances and practices to be used, including physical barriers to prevent contact of organic crops with prohibited substances or the products of "excluded methods" such as GMOs. On-site inspections and records verify that farmers are following their organic system plan. Additionally, certifying agents conduct residue testing to determine if these preventive practices are adequate to avoid contact with substances such as prohibited pesticides, antibiotics, and GMOs.

Any certified organic operation found to use prohibited substances or GMOs may face enforcement actions, including loss of certification and financial penalties. However, unlike many pesticides, there aren't specific tolerance levels in the USDA organic regulations for GMOs. As such, National Organic Program policy states that trace amounts of GMOs don't automatically mean the farm is in violation of the USDA organic regulations. In these cases, the certifying agent will investigate how the inadvertent presence occurred and recommend how it can be better prevented in the future. For example, they may require a larger buffer zone or more thorough cleaning of a shared grain mill.

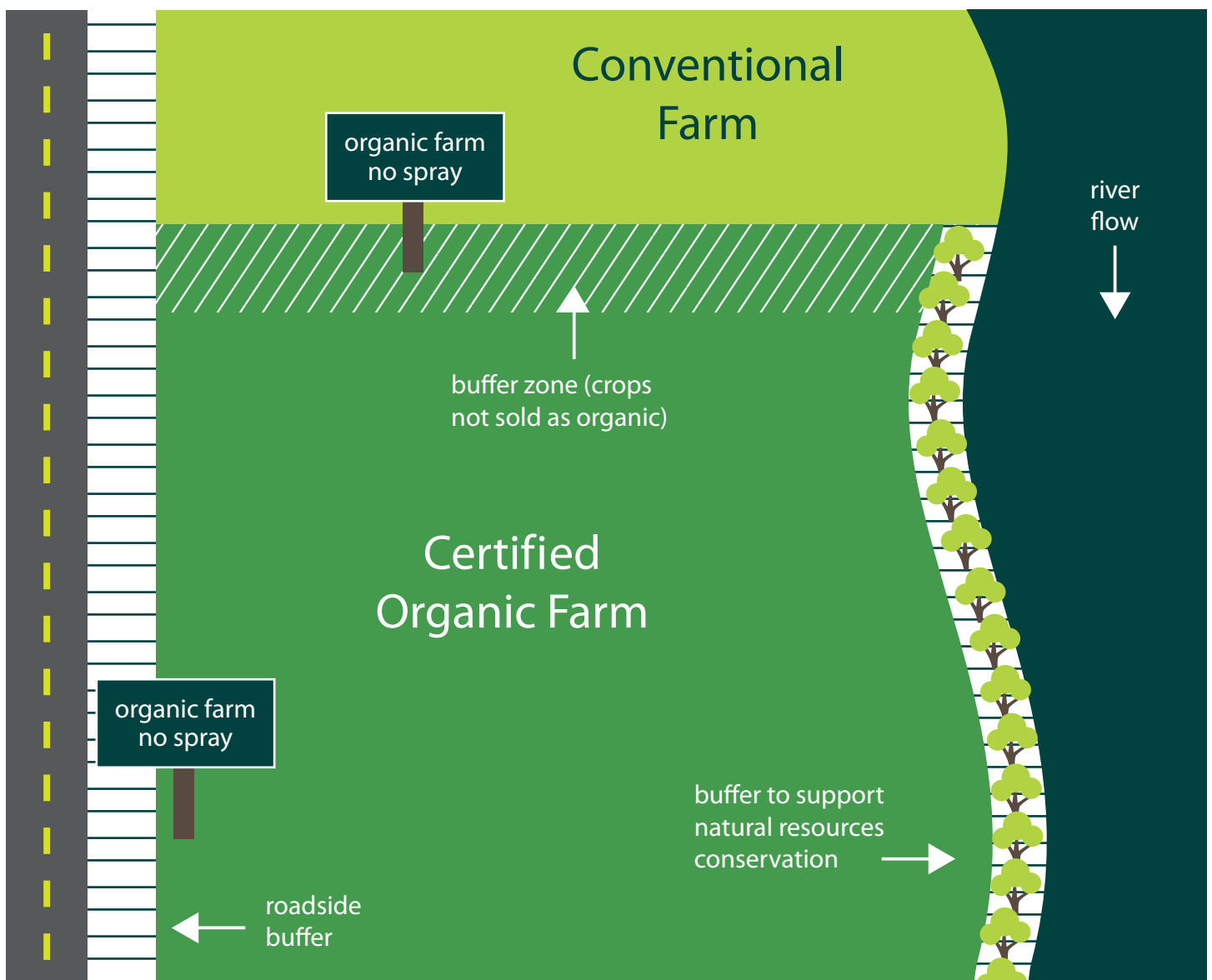
Can GMOs Be Used in Organic Products?, continued from page 8

USDA supports all methods of agriculture production, including organic, conventional, and biotechnology. To help these different methods coexist better, USDA has convened an Advisory Committee on Biotechnology and 21st Century Agriculture (“AC21”). Organic stakeholders are well-represented on AC21.

Consumers purchase organic products expecting that they maintain their organic integrity from farm to market, and USDA is committed to meeting these expectations. No matter where it was grown, if a product has the USDA Organic label on it, it wasn’t produced with GMOs.

Can you show me an example of how this would work?

In the sketch below, the organic farmer has set up several buffer zones to protect the integrity of her organic crops from GMOs. Where her farm borders the conventional farm, she has set aside an area which she will farm organically (for example, she won’t apply prohibited pesticides), but she won’t sell that land’s crops as organic. Additionally, she has posted “no spray” signs on the borders of her property and has another buffer zone on the left side to protect her farm from unintended substances from the local road. A final buffer zone on the right side of her property includes a row of trees to reduce erosion and protect runoff into the bordering river.



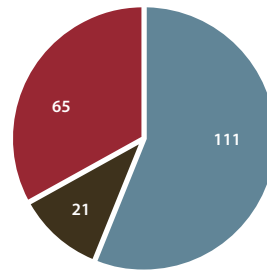


2013 Organic Integrity Update

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.

2013 Compliance and Enforcement Actions

From January 1 to August 15, 2013, NOP issued 12 penalties to willful violators totaling over \$42,000. The NOP has also opened 121 complaint cases received from members of the public and closed 197 cases of suspected regulatory violations, taking enforcement action when the complaint was validated. The distribution of closed case types is shown to the right.



Case Distribution

- Uncertified operations
- Labeling violations
- Prohibited substances and methods

Certifying Agent 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 October 1, 2012, USDA staff audited the following certifying agents in the indicated location, requiring corrective actions where appropriate:

- Agriculture Services Certified Organic – Salinas, California
- Certimex – Oaxaca, Mexico
- Global Culture – Pacifica, California
- Organic Food Development + Certification Center of China – Nanjing, China
- Overseas Merchandise Inspection Co – Tokyo, Japan
- Yolo County Department of Agriculture – Woodland, California

Additionally, we audited two of our trade partners:

Canadian Food Inspection Agency – Canada

To ensure that imported Canada organic products are meeting the terms of the equivalency arrangement, we audited their certification program and conducted witness inspections.

Japanese Ministry of Agriculture, Forestry, and Fisheries

While in Japan, we audited their organic certification system as part of negotiations towards a potential organic equivalency arrangement. This included site visits to organic farms certified to the Japanese Agricultural Standards.

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



Web Updates

2013 Cost Share Report to Congress. During Fiscal Year 2012, almost 9,600 certified organic farms and businesses participated in the Organic Certification Cost Share Programs. These programs reimbursed farmers and businesses over \$6.6 million for organic certification expenses, at an average of \$688 per operation. In Fiscal Year 2013, this program is available to farmers in 16 States. <http://www.ams.usda.gov/NOPCostSharing>

Poultry Reports. Over the past few years, the National Organic Standards Board (NOSB) has made a series of recommendations related to animal welfare. Subsequently, the NOP contracted with a third party to prepare an economic impact analysis on potential changes to the living conditions requirements for organic poultry. Once we address other urgent priorities, we will more fully evaluate the NOSB's animal welfare recommendations in light of these findings. www.ams.usda.gov/NOPAboutUs

Substances Fact Sheet. Understanding allowed and prohibited substances can be a learning process for prospective or new organic operations. This new resource summarizes allowed and prohibited substances for organic crop producers, livestock producers, and processors (separated by labeling category). View this and all other NOP fact sheets at www.ams.usda.gov/NOPFactSheets.

Review of Materials. As part of their organic system plan, organic operations must submit a list of substances to their organic certifying agent. The certifying agent must review each substance to confirm that it complies with the USDA organic regulations and other applicable standards. The updated memo (NOP 11-4) clarifies how the NOP will resolve instances when material evaluation programs disagree on the allowance of a specific generic input. www.ams.usda.gov/NOPProgramHandbook.

Organic Milk Audit. The Office of Inspector General found that overall, we successfully implemented the access to pasture rule for organic dairy cattle. They offered six recommendations to build on our existing oversight controls. These recommendations focused on making sure all organic dairy producers are treated consistently and that all aspects of organic milk production comply with USDA organic requirements. We already have projects underway that will meet all of their recommendations. www.ams.usda.gov/NOPAboutUs

Compliance and Enforcement. To highlight our work to protect organic integrity from farm to table, we have updated our compliance and enforcement web content: www.ams.usda.gov/NOPComplianceandEnforcement

Instructions for Certifying Agents. The NOP has published four instructions for accredited certifying agents. These resources clarify our expectations in these four areas as part of our ongoing 'Sound and Sensible' initiative: www.ams.usda.gov/NOPProgramHandbook

- Separation of duties
- Internal program review requirements
- Personnel performance evaluations
- Organic certificates



NOP Staff Updates

USDA Green Roof Tour

On July 16, members of the NOP conducted a tour of one of USDA's green roofs located in the South Building. The group learned about the environmental benefits of green roofs, such as:

- Absorbing rainwater and minimizing runoff
- Protecting the building's roof from direct sun
- Providing insulation to help control the building's temperature
- Providing an aesthetically pleasing landscape for employees

The group was led by Ed Murtagh, USDA's Sustainable Operations Manager.

USDA Art in Agriculture

USDA employees from all over the world submitted agriculture-related 2-D and 3-D artwork and photos for the 2nd Annual Art & Agriculture Competition. The first round of judging was done by USDA employees through the USDA Cultural Transformation Website.

Valerie Schmale and **Judith Ragonesi** of the NOP were among the many artists to have their artwork selected by their peers to proceed to the final round of judging by outside professional artists. The artwork will be displayed for viewing for several months in the USDA South Building. The artwork may also be added to the USDA gallery for future use if the artists choose to donate their pieces.

