



September 2016 Newsletter

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

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**NOP's Organic Control System... the Key to Protecting Organic Integrity**



The National Organic Program (NOP), part of the USDA's Agricultural Marketing Service (AMS), oversees a \$43 billion industry made up of more than 31,000 certified organic operations located in 100 countries. As the regulatory program responsible for organic agriculture, the NOP's primary role is protecting the integrity of the USDA organic seal and the organic standards. We protect that integrity through our work with certifiers, individual states, foreign governments, and the vigilance of many of you.

Protecting organic integrity starts with having a thorough and complete organic control system, which is essential to maintain the health of this growing industry. NOP's regulatory work ensures achievable standards, fair competition, and a reasonable, rational and practical certification process for all farmers and businesses. Our organic enforcement activities provide a level playing field. NOP's system of controls supports all farmers' ability to succeed in the organic marketplace, if they comply with the requirements.

The organic industry is ripe with opportunity --- job opportunity, economic opportunity for new and beginning farmers, premium price opportunity for smallholders in Asia, Africa and Latin America, and opportunity to protect biodiversity, improve soil and water quality, and to provide a path to a sustainable future. The industry is prosperous, and opportunity is not limited to U.S. domestic markets.

To ensure effective oversight and control for organic operations around the world, the NOP accredits and oversees a network of nearly 80 third-party certifiers who certify organic farms and businesses to the USDA organic standards. NOP's ongoing accreditation process ensures certifiers are inspecting and verifying organic claims.

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# NOP's Organic Control System, cont'd



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Certifiers ensure that certified operations comply with organic regulations by evaluating applications for certification, conducting on-site inspections (both annual and unannounced), approving the use of the organic label, conducting feed, yield and sales audits, and conducting residue testing.

When certified operations participate in international trade, certifiers verify organic imports comply with USDA organic regulations as they enter the U.S. market. As part of their enforcement role, certifiers conduct investigations and oversee complaint management for their certified operations.

For both domestic and imported organic agricultural products, the NOP investigates and takes action on complaints alleging violation of the organic regulations --- to either bring operations into compliance or keep products that violate the USDA organic regulations out of commerce. Initial enforcement actions could include orders to cease and desist representing products as organic; notices of warning for minor violations; and referrals of investigations to accredited certifying agents, other Federal agencies, State Programs and international trading partners.

For more serious violations, the NOP may take further enforcement action that results in the suspension or revocation of organic certification or accreditation, as well as civil penalties of up to \$11,000 per violation for noncompliant sales of agricultural products. The NOP monitors organic certification activities around the world

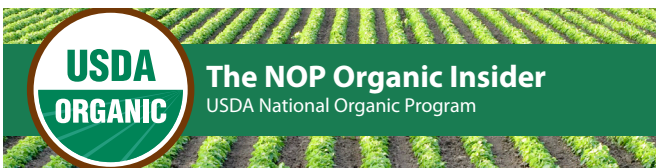
through assessments of international certifiers and foreign government organic programs.

The world's organic market is valued at over \$80 billion U.S. dollars. International organic trade is expanding to meet the demands of the organic market. The U.S. sources many organic products and ingredients from foreign countries as well as supplies organic products to many of our trading partners.

In order to support international trade of organic products and to ensure the integrity of those products, the USDA's Agricultural Marketing Service, in partnership with the Foreign Agricultural Service and the Office of the United States Trade Representative, has established equivalency arrangements with Canada, the 28 countries within the European Union, Switzerland, Japan and Korea. These arrangements lessen the burden of inspection and certification while ensuring that high organic standards are met. They simplify the process for all producers, including small farms, to participate in the global organic market.

Equivalency arrangements allow participating governments to focus resources on compliance with organic standards, rather than expending resources on verifying multiple requirements that meet the same objectives. Government and certifier resources can be used for market surveillance, investigations and enforcement – rather than duplicative and redundant processes that provide no added value.

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## NOP's Organic Control System, cont'd

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Mexico is in the process of implementing its organic regulations, and AMS is exploring the possibility of establishing an organic equivalency arrangement with Mexico. The National Service for Animal and Plant Health, Food Safety and Quality (SENASICA), Mexico's competent authority, has accredited nine certifying agents and those certifiers have certified hundreds of organic operations in Mexico under the Mexican organic regulations. AMS has provided extensive technical assistance to SENASICA. We have conducted workshops in Mexico and SENASICA organic officials have observed NOP accreditation audits.

As part of talks to explore equivalency, AMS conducted a full assessment of the Mexican organic control system this past March. We found that SENASICA has fully implemented their regulations, and has a quality control system in place. The system includes thorough accreditation processes, and a comprehensive compliance and enforcement system that includes market surveillance and complaint investigation procedures. The two countries are also discussing the importance of organic import certificates to provide additional verification of certification, a possible element of a future potential equivalency agreement.

Import certificates provide additional verification to ensure the integrity of imported organic products. Import certificates are issued by accredited certifiers to verify

that individual organic shipments meet the USDA organic regulations. NOP import certificates are currently required for all organic imports from Japan, Korea and 29 European countries. Canada and Mexico are planning to implement import certificate requirements under their organic programs later this year, and AMS is developing a proposed rule to require import certificates for all organic products entering the U.S. market.

Achievable standards, fair enforcement, organic equivalency, and import certificates --- all are part of a larger, vital system, the organic control system, that make up NOP's efforts to protect organic integrity.

It is critical to the success of the organic sector that a robust, thorough, and effective organic control system is in place, with enforceable standards. It protects organic farmers and handlers and assures consumers that when they buy organic they are getting the organic products they are paying for.

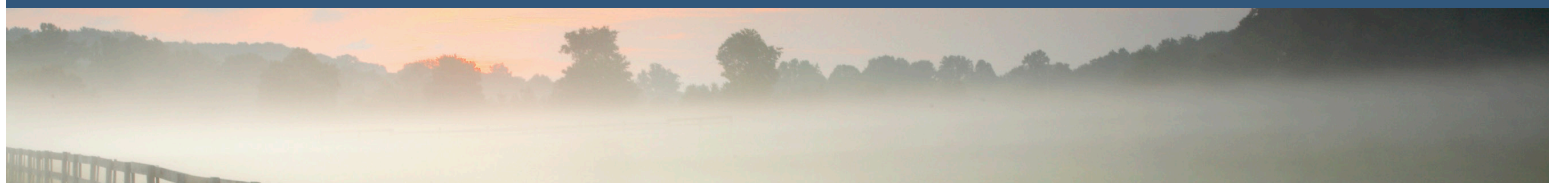
Sincerely,

Miles V. McEvoy  
NOP Deputy Administrator



# Compliance & Enforcement/Appeals Summary

Reporting Period: Fiscal Year (FY) 2016



## COMPLIANCE & ENFORCEMENT: OVERALL SUMMARY

	Q1 (Oct - Dec 2015)	Q2 (Jan - Mar 2016)	Q3 (Apr - Jun 2016)
<b>Incoming Complaints</b>	94	97	132
<b>Completed Complaint Reviews and Investigations</b>	82	93	76

## APEALS: OVERALL SUMMARY (Refer to [NOP 4011: Adverse Action Appeal Process](#) for more information)

<b>Number of Incoming</b>	4	8	5
<b>Appeals by Disposition</b>			
<b>Decisions</b>	6 (includes five received in FY15 and one received in FY16)	0	1
<b>Dismissals</b>	0	2	0
<b>Closures</b>	6 (includes four received in FY15 and two received in FY16)	3 (includes appeals received in FY15)	1

Note: Total reflects appeals closed in FY 2016 regardless of when cases were initiated.

## SUMMARY OF INITIAL ACTIONS TAKEN

<b>Cease &amp; Desist Orders</b>	8	6	3
<b>Notices of Warning</b>	22	32	20
<b>Investigation Referrals</b>	7	16	11

## SUMMARY OF DISPOSITIONS (All NOP)

<b>Total Number of Settlement Agreements *</b>	5	2	7 (includes one appeal received in FY15)
<b>Total Number of Consent Decisions</b>	1	0	0
<b>Total Amount Civil Penalties Levied **</b>	\$929,750	\$16,500	\$1,000

Notes:

\* Not all settlement agreements include civil penalties and not all civil penalties were levied via settlement agreements.

\*\* Total reflects the amount of penalties initially levied. Amounts may change during negotiation of settlements and individual penalty payments may be outstanding.

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## NOP Welcomes Stakeholders from Mexico

NOP holds All-Hands Staff Meetings every two weeks to share updates about program activities, recognize staff members and teams, and get details about important projects. During our early August meeting, we were joined by representatives from Mexico's National Service for Animal and Plant Health, Food Safety and Quality (SENASICA). SENASICA was conducting an onsite review of the NOP's organic control system. These reviews are an important step in negotiating any new organic trade agreement, and allow us to learn about each other's approaches for ensuring organic integrity.



*Photo: Erandi Valdovinos Romero and Aurora Lobato Garcia from Mexico's National Service for Animal and Plant Health, Food Safety and Quality (SENASICA), and staff members from the AMS Budget Office and NOP. Budget Office team members frequently join NOP staff meetings to keep up to date with projects and possible impacts on our budget – we appreciate their engagement in our work!*

## Choctaw Organic Farms



*Photo (L to R): Daphne Snow, Choctaw Fresh Produce – Certified organic farm manager, NOP Deputy Administrator Miles McEvoy, Jesse Buie, Ole Brook Organics, NOSB member, and Tim Oakes, NRCS Tribal Liaison*

AMS is committed to helping certifiers and certified organic businesses succeed. As part of USDA's StrikeForce Outreach Initiative, NOP Deputy Administrator Miles McEvoy attended two informational conferences in Ellisville and Summit, Mississippi, to speak about organic certification and market opportunities. He also visited the Choctaw Band's organic farming operation in Philadelphia, Mississippi.

The StrikeForce Initiative helps USDA agencies build partnerships with community organizations, businesses, foundations, universities, faith-based and other groups. Through these partnerships, communities can shape their future based on local assets and regional strengths.

# National List Updates

## New Petitions

The following new petitions have been posted on the NOP website and sent to the NOSB for review:

- Oat beta-glucan, petitioned for addition to § 205.606
- Anaerobic digestate, amend 205.203 (Crops)
- Allyl Isothiocyanate, add to 205.601 (Crops)
- Ammonium citrate, 205.601, addenda (Crops)
- Ammonium glycinate, 205.601, addenda (Crops)
- Polyoxin D Zinc salt, add to 205.601 (Crops)
- Potassium cellulose glycolate, add to 205.601 (Crops)
- Sodium citrate, add to 205.601 (Crops)
- Glycolic acid, add to 205.603 (Livestock)
- Ivermectin, remove from 205.603 (Livestock)
- L-Methionine, add to 205.605 (Handling)

## New Technical Reports

The following new technical reports have been posted on the NOP website and sent to the NOSB for review:

- Peracetic acid, Livestock
- Xanthan gum, Handling

View petitions and technical reports online:

[www.ams.usda.gov/NOPNationalList](http://www.ams.usda.gov/NOPNationalList).



## Upcoming Meetings: National Organic Standards Board (NOSB)

NOSB meetings, held twice a year, are an important forum for public comment, and support transparency in the organic standards development process. Learn more at [www.ams.usda.gov/nosb](http://www.ams.usda.gov/nosb).

### Fall 2016 Meeting

November 16 – 18, 2016  
8:30 am to 6:00 pm daily  
Chase Park Plaza Hotel  
212 N. Kingshighway Blvd  
St. Louis, Missouri 63108

### Spring 2017 Meeting

April 19 – 21, 2017  
8:30 am to 6:00 pm daily  
Sheraton Denver Downtown Hotel  
1550 Court Pl  
Denver, Colorado 80202



## Organic Integrity Database Updates



*Photo: Acting Deputy Agriculture Secretary Michael Scuse stands with Organic Integrity Database Team. The Organic INTEGRITY Database Team received the Secretary's Honor Award.*

The Organic Integrity Database (INTEGRITY) team continues to release new modules of functionality in the system. INTEGRITY Release 3.2 was successfully deployed in early August. This release improved the display of operation search results, enhanced the Certifier Locator with a new option to search by certifier name or acronym, and improved system navigation. Certifiers now also have enhanced data exports and persistent action confirmation banners to help improve data quality and completeness.

INTEGRITY was made possible through funding in the 2014 Farm Bill. The initial core functionality of the system was built in less than a year, with its first release in place by the end of FY

2015 (September 2015). The INTEGRITY team is a vibrant partnership, with team members from the Agricultural Marketing Service's (AMS) National Organic Program and Information Technology Service, Harmonia Holdings Group, and Intact US. We also have an active certifier user group made up of certifiers from around the world. In June 2016, the INTEGRITY team won an AMS Administrator's Award for outstanding service delivery. On September 13, 2016, the team was awarded a U.S. Department of Agriculture Secretary's Honor Award. Four certifier representatives were included in the awards team because of their above and beyond contributions during the design, implementation, and testing phases of the INTEGRITY project. These certifiers included: CCOF, OneCert, the New Jersey Department of Agriculture, and the Washington State Department of Agriculture. We are grateful for their significant contributions to our work!

## Market News: Growing its Reporting for You

Price discovery is a large hurdle facing organic producers. With limited price information available for organic products, industry participants may find themselves at a loss when pricing their products, planning finances, obtaining loans, and getting insurance.

The organic industry is populated by many small and diverse operations, and as the industry continues to expand, obtaining market information continues to be very difficult. To address this issue and in response to industry input, USDA Market News is growing its organic price reporting program. This program will collect market information from organic stakeholders throughout the country and create bi-weekly national and regional reports. These reports will feature market information throughout the supply chain and industry-specific commentary. Commodities reported will include grain, dairy, poultry, eggs, livestock, meat, and cotton. Through these new Market News reports, any organic stakeholder can stay competitively priced, any lender can assess that business's value, and organic commodities can be properly insured. This program is yet another way AMS adapts to industry needs and serves as an unbiased party for all parts of American agriculture.

USDA Market News is looking for your support. This summer, market reporters began connecting with organic growers, brokers, processors, and handlers throughout the U.S. As we reach out, we are asking you to provide information concerning the type of commodity you produce or handle, your volume traded, and how you market your product. We need as many contacts as possible for our reports to reach their full potential. Participation is voluntary and completely confidential and the information you provide will impact your industry by increasing market transparency. Cooperation from organic stakeholders, like yourself, creates the information to give back to you. Becoming a Market News contact will help to us help you!

If you are interested in becoming a contact, please call Randy Hammerstrom at (970) 353-9750 or email [Randy.Hammerstrom@ams.usda.gov](mailto:Randy.Hammerstrom@ams.usda.gov). You can find the National Weekly Organic Summary and the new web page on the AMS Market News website. To access the new web page, <https://www.ams.usda.gov/market-news/organic>.



# THE PATH

TO SOUND AND SENSIBLE  
ORGANIC INSPECTIONS

## New Interactive Training for Certifiers and Inspectors

The Agricultural Marketing Service is pleased to announce the launch of a new interactive scenario-based training program for organic certifiers and inspectors: “The Path to Sound and Sensible Organic Inspections.”

The training follows an inspector through an annual inspection with a certified farmer, and reviews topics such as field visits, sample collection, material reviews, recordkeeping audits, and unannounced inspections. The training teaches sound and sensible inspection principles in a practical and engaging way – showing what happens when the inspector makes the right choices in the course of an inspection, and what happens when a better choice could have been made.

The National Organic Program encourages certifiers and inspectors to follow The Path as part of their continuing education in organic certification. The training is available at <http://willinteractive.com/play/the-path>.

## Building a Standard Certification System Framework

The National Organic Program (NOP) continues to make organic certification more accessible, attainable, and affordable for all operations through its Sound and Sensible Certification initiative. As part of this initiative, the NOP partnered with several members of the organic community to develop resource guides, videos, and other tools that help farmers and businesses better understand the organic option.

We recently published a set of new resource documents. Together, these documents provide a framework that an organic certifier could use to design and build a uniform and easy-to-use organic certification system.

This Sound and Sensible resource package was created in partnership with Pennsylvania Certified Organic (PCO). It includes a series of technical documents that provide a framework for developing an organic certification system. The package includes sample forms and data entry screens that can support the organic certification process; lists and definitions of data fields (called a data dictionary) that capture information about a certified organic operation; and relationship diagrams that should have the different data fields and forms connect.

This series of tools can be used by an organic certification organization, working closely with a technical lead that is well versed in data structures and database design. The documents will primarily be understandable to a technical lead or system/data architect, who will guide the requirements and design phase of a software development project.

This new online resource is available at <https://www.ams.usda.gov/report-publication/certification-system-framework>.



# National Organic Program Staff Updates



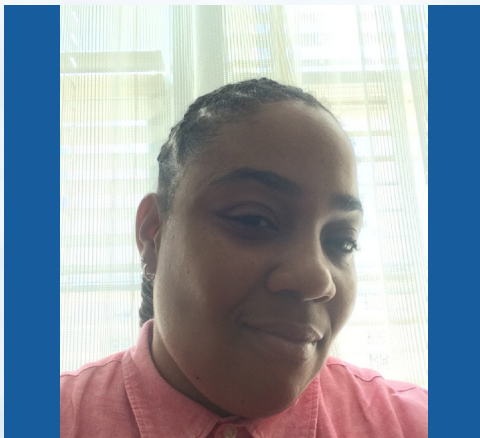
Photo: NOP Deputy Administrator Miles McEvoy and NOP Secretary Joan Avila

## NOP Announces Its First Employee of the Quarter

The National Organic Program recently launched a new Employee of the Quarter Award! The award is one component of an expanded awards program launched as a result of feedback from the NOP team.

NOP's first Employee of the Quarter is Joan Avila. Joan joined the NOP as its Secretary in March 2013. Since that time, the NOP has grown from a 32 person to a 45 person team, and Joan has played a vital role in scaling up administrative processes that serve the full team. Joan takes in hundreds of phone calls and inbound email each month from farmers interested in organic certification, businesses interested in organic trade opportunities, members of the general public looking for information about the organic standards, and more. Joan puts into practice our core values of customer service, responsiveness, and transparency each and every day, and we are grateful for her dedication!

**The NOP is committed to developing its current staff and hiring new team members to strengthen our ongoing support for the organic community. We are pleased to welcome a new employee to the Compliance & Enforcement Division. We also want to congratulate a long-term staff member on her retirement.**

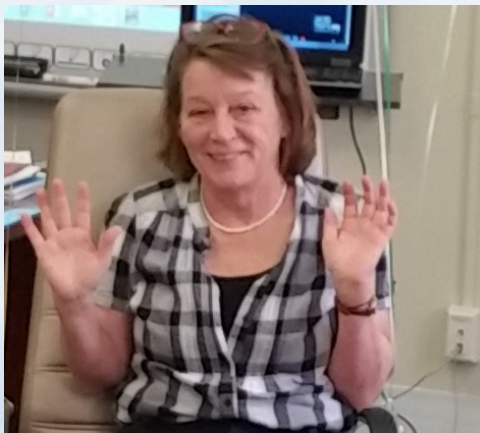


## Kristina Henderson

We would like to welcome Kristina Henderson to the NOP Freedom of Information Act (FOIA) team!

Kristina brings years of FOIA experience, and we're excited about her joining us! Kristina has over 9 years of experience in the federal government. Almost her entire career so far has involved processing documents and providing information to stakeholders. She has a Bachelor's degree in Computer Information Technology.

Kristina was born and raised here in DC! She enjoys traveling and photography.



## Congratulations on Your Retirement, Emily Brown Rosen

On May 24, the National Organic Program (NOP) bid a fond farewell to Emily Brown Rosen, who retired at the end of May. Emily served as an Agricultural Marketing Specialist in the NOP Standards Division for 6 years; she played a pivotal role in working with the National Organic Standards Board (NOSB) and in providing superb context and subject matter expertise to the development of the USDA organic regulations. She was also an active leader in publishing the first NOP Handbook in 2010 – it remains a definitive resource for organic certifiers and producers. Emily has actively participated in organic agriculture for more than 20 years – we wish her all the best in her future adventures!



## National Organic Program Handbook + Web Updates

**Program Handbook.** The National Organic Program Handbook is a compilation of guidance documents, policy memos, and instructions intended to clarify policies and assist those who own, manage, or certify organic operations in complying with the USDA organic regulations. AMS has updated several of these resource documents since our last newsletter. Updated documents are linked below and available online at [www.ams.usda.gov/NOPProgramHandbook](http://www.ams.usda.gov/NOPProgramHandbook).

- National List Sunset Dates ([NOP 5611](#), updated): NOP published an updated version of this document on September 16, 2016, replacing the December 21, 2015 version. The update reflects new sunset dates for seven materials on the National List resulting from the renewal of these materials under the 2016 sunset review process, and the removal of five materials from the National List under the 2016 sunset review process and rulemaking.
- [Noncompliance and Adverse Action Flow Chart](#): Last month, NOP published the Noncompliance and Adverse Action Flow Chart as a new resource document intended for use by certifiers issuing noncompliance or adverse actions. The flow chart serves as a visual guide to help determine the next steps in the noncompliance and adverse actions processes. Shown on page 11 of this document, it is also available online in Section I of the NOP Handbook.
- Organic Certification of Industrial Hemp ([NOP 2040](#), updated)
- Material Review - Interim Instruction ([NOP 3012](#), added)
- [Notice 11-4](#): Archived NOP Documents (updated)
- New Handbook Section - [Section J: Interim Documents](#) (added)
  - Treated Lumber - Draft Guidance ([NOP 5036](#), added)

### Rulemaking

- [Sunset 2016 Amendments to National List](#)

**Sound & Sensible Resources.** AMS-NOP hosts a group of web pages featuring an array of resources to help simplify and streamline organic certification and compliance for farmers and businesses. Developed in conjunction with many partners across the country, these Sound & Sensible resources are making organic certification more accessible, attainable, and affordable. Read more: <http://www.ams.usda.gov/report-presentation/sound-sensible>.

- Additional Sound & Sensible Resource -- [Certification System Framework](#)
- Sound & Sensible, [Overview Video](#)

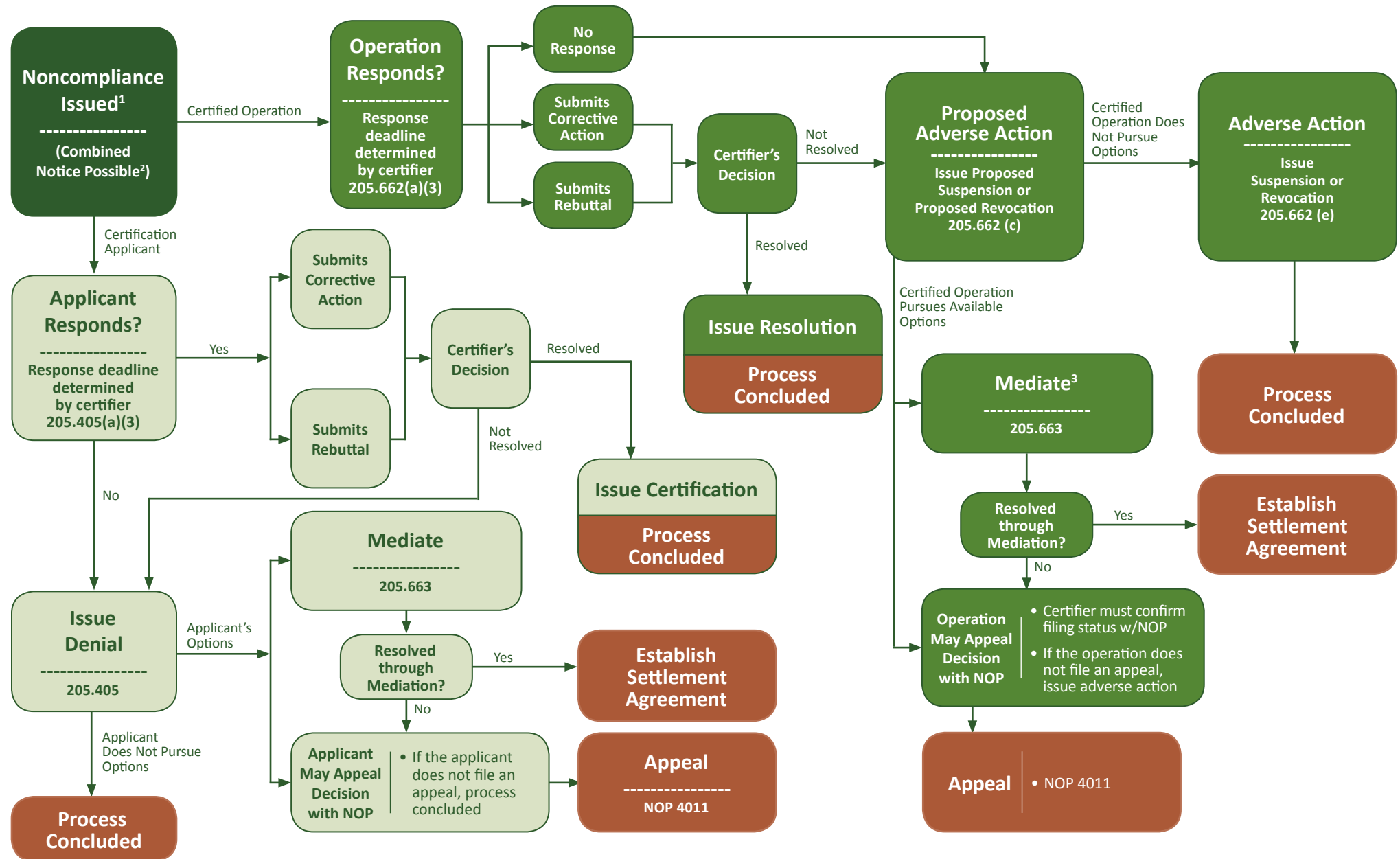
### Other Resource Materials

- [NOP Response to NOSB April 2016 Recommendations](#)
- [Quarterly Compliance & Enforcement/Appeals Summary](#)
- [Enforcement Documents](#) (see Enforcement Actions)
- [Notice to Trade on Organic Imports](#)
- [Hydroponic and Aquaponic Task Force Report](#)





# NONCOMPLIANCE AND ADVERSE ACTIONS FLOW CHART



**Note 1.** A certified operation may surrender its certification at any time. When certification is surrendered prior to a certifier issuing a proposed adverse action, the certifier accepts the surrender and the process is closed. If an operation surrenders its certification after the certifier issues a proposed adverse action, the certifier accepts the surrender and continues the process for adverse action.

**Note 2.** For information on combined notices, see §205.662(c) and §205.405(g).

**Note 3.** Certifiers are required to continue providing certification services during the mediation and appeal processes.