



Agricultural Marketing Service

Oversight of Organic Imports

August 10, 2017

The Agricultural Marketing Service (AMS) National Organic Program (NOP) is continuing our work to strengthen the oversight of imported organic products, and to deepen the rigor of oversight across the supply chain. This summary of action summarizes the steps we have and are taking to address these issues.

AMS Oversight of Certifiers

The United States system of organic certification and oversight operates as a public-private partnership. As such, AMS relies on USDA-accredited certifiers to ensure integrity across complex supply chains.

AMS audits certifiers around the world at the beginning and middle of their 5-year accreditation period, and reviews management practices every year. Additional audits are conducted based on identified risks or compliance concerns. In the past several months, NOP has conducted additional audits of certifier headquarters and satellite offices associated with certifiers working in Turkey and Eastern Europe.

AMS is transparent in sharing the results of these certifier audits. Certifier Accreditation Certificates, Audit Reports and current Accreditation Certificates are available through the Organic Integrity Database. Once an accreditation review process is complete, the public can view any issues identified during the audit, as well as corrective actions implemented by the certifier. The NOP accreditation program also undergoes an annual peer review process, where an outside panel reviews records to assess and provide feedback about the accreditation process.

When AMS finds compliance problems with certifiers, we take enforcement action to bring those organizations into compliance. Sometimes, this involves entering into consent orders and settlement agreements, with terms that rapidly bring the certifier into compliance, without compromising the valid organic certifications of their clients.

The NOP team also communicates closely with governments with whom we hold equivalency arrangements. Different countries and regions have different regulatory frameworks, and different thresholds for evidence and due process. AMS cannot mirror a suspension or revocation of a certifier solely on the basis of a foreign government's action; we must complete our own review process, based on evidence, and provide due process rights provided for under U.S. law.



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Enforcement

Enforcement is a vital part of the global organic control system. Working closely with USDA-accredited certifiers, the AMS-NOP Compliance and Enforcement Division has a core mission of making sure that all organic businesses are complying with the rules, and removing the organic certification of those that will not or cannot comply.

To that end, the team investigates hundreds of complaints each year; issues Notices of Warning and Cease and Desist Orders; and suspends and revokes certifications based on investigation outcomes. Accredited certifiers also conduct their own investigations, and have collectively suspended or revoked more than 900 organic farms, ranches, and businesses in the past 5 years due to violations of the organic standards.

To take enforcement action, AMS must have clear, compelling, and legally-defensible evidence that can be connected directly to a responsible party. This process can take time; however, after an extensive investigation process, AMS has collected sufficient evidence related to organic imports that were fumigated prior to arriving in the United States. As a result, on June 1, 2017, AMS revoked the certification of organic handler, Beyaz Agro, operating out of Turkey.

The AMS investigation that led to this revocation continues, with additional final actions anticipated over the next few months. AMS has and will continue to notify parties receiving fraudulent products that they can't be sold, labeled or represented as organic.

To communicate enforcement actions as soon as allowable, we have revised our process for posting enforcement actions on the AMS website, to make these actions more accessible more quickly. AMS now posts the final suspension and revocations that it directly issues, augmenting the existing postings of AMS Administrator Decisions finalized through appeals, settlement agreements, and consent orders and decisions released at the Administrative Law Judge and Judicial Officer level. AMS has also enhanced the way it posts fraudulent certificates detected in the market, making them more searchable and sortable.

Since 2015, AMS has posted a quarterly report of counts of enforcement activities. Last quarter, the report was expanded to include the number of suspensions and revocations completed in the previous quarter.

These materials are accessible from

<https://www.ams.usda.gov/sites/default/files/media/QtrlyEnforcementRptQ3FY17.pdf>



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Risk-Based Oversight

In December 2016, based on risk-based factors, AMS instructed certifiers operating in Turkey and Eastern Europe to implement added control measures. These measures include requiring certifiers to conduct unannounced inspections that include mass balance and audit trail verification. Certifiers were required to sample and test each shipment of organic corn destined for U.S. ports. Recently, the instructions have been expanded to include sampling, testing, and verification of all shipments of corn, soy, wheat, edible dry beans, flax, and sunflower meal. Certifiers are also required to immediately report any noncompliances to the NOP.

Training for Certifiers and Handlers

The NOP provides regular training for certifiers to ensure consistent and correct application of the standards. This includes annual face-to-face training for certifiers, webinars, and instructions and policies in the NOP Handbook that explain how to implement the regulations.

Based on the investigations and audits AMS has conducted over the past several months, we have increased our training about the oversight of complex supply chains with certifiers and handlers. The goal of this training is to educate participants about how to apply the USDA organic regulations in these settings.

More specifically, on June 1, NOP hosted an hour-long webinar for 131 certifier representatives. This event focused on the role of organic system plans and recordkeeping systems in ensuring the organic integrity of imports, and highlighted the critical control points that will be audited during inspections. Later in June, NOP hosted another live webinar for 185 attendees, covering similar material for certified handlers. For stakeholders unable to attend these events, AMS has posted an 11-minute video overview on organic supply chain integrity, and a longer half-hour video training for certifiers and handlers. Since being posted, these two videos have been collectively viewed more than 4,000 times.

AMS has also posted a resource sheet highlighting other existing training and outreach resources pertaining to organic handling, including links to our self-guided training on conducting sound and sensible inspections, and fact sheets created under the Sound and Sensible projects.

These materials are available at:

<https://www.ams.usda.gov/services/organic-certification/training>



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Collaboration with Other Agencies

AMS has been working with the USDA Animal and Plant Health Inspection Service (APHIS) Plant Protection and Quarantine (PPQ) Program to identify better ways to oversee organic products at U.S. Ports of Entry.

On January 23, 2017, the NOP and APHIS signed a Memorandum of Understanding. NOP and APHIS are collaborating on developing controls within APHIS systems. This will help AMS ensure that fumigated products are not sold into the organic market.

AMS has also worked with the U.S. Customs and Border Protection to identify better ways to oversee organic imports, and is exploring technology solutions that will help support fraud detection and prevention. This may include adding additional codes to better track organic products as they cross the border, and facilitating the use of electronic certificates for trade with equivalency partners.

Conclusion

This report outlines a number of steps that AMS is taking to ensure the integrity of the USDA organic seal in a fast-growing global market. We are continuing our active investigation regarding organic grain imports, and will continue to take enforcement action where warranted and appropriate based on the evidence.