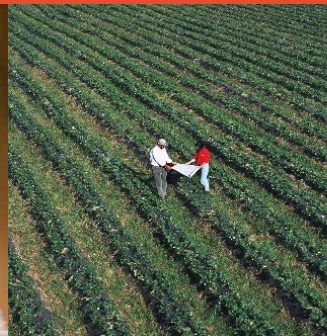




Agricultural Marketing Service (AMS) National Organic Program (NOP) Update

Jennifer Tucker, Ph.D.
Associate Deputy Administrator

Agricultural Marketing Service



Agenda



- Welcome and Thanks
- Transition Updates
- Sunset 2017 Final Rule
- Enforcement and Imports
- Organic Integrity Database
- Office of Inspector General (OIG) Report
- ANSI Peer Review of NOP: 2017
- Closing

Welcome and Thanks

- **Welcome to Jacksonville!**
- **THANK YOU National Organic Standards Board!**





Thanks to the Organic Community

- **2,253** Written Public Comments
- **52** Oral Comments on 2 Webinars
- **165** Webinar Attendees
- **93** Signed Up to Speak in Jacksonville



Welcome From USDA Leadership

- Secretary **Sonny Perdue**
- Deputy Secretary **Steve Censky**
- Former Acting Undersecretary, Marketing and Regulatory Programs (MRP) **Kevin Shea**
- Undersecretary, Marketing and Regulatory Programs (MRP) **Greg Ibach**
- Acting AMS Administrator **Bruce Summers**

Transition Update



- Welcome to NOP Acting Deputy Administrator Dr. Ruihong Guo!



- Deputy Administrator AMS Science and Technology Program
- NOP Leadership Experience

Hello from Team NOP!

USDA
ORGANIC



2017 Sunset Review Final Rule

- Published in July 2017
- **Removed** three synthetic substances and five nonorganic agricultural substances from National List.
- **Renewed** three substances on the National List, allowing their continued use.
- **Many Opportunities for Public Input:**
 - Public Comments: Written, at Meetings
 - Rulemaking: Proposed Rule Comment Period

Enforcement and Imports Update



Enforcement Update

Imports Update

39,035 Certified Operations

379

Incoming
Complaints

462

Completed Complaint
Reviews/Investigations

\$187,500

Civil Penalties
Levied

311

Newly Suspended/
Revoked Operations



Fraudulent Certificates: Searchable List

Fraudulent Organic Certificates Published by the US Department of Agriculture, Agricultural Marketing Service, National Organ										
Alleged Operation Name <i>(Click for PDF Image of the Fraudulent Certificate)</i>	Date Published by the USDA	Notes	Street Address/P.O. Box #	City	State or Province	ZIP or Postal Code	Country	Alleged Scope of Organic Certification (as listed on the fraudulent certificate)	Alleged Current Organic Certificate Issue Date	
Anima Mundi Herbals (show)	9/11/2017	At the time of posting, SunFood Corp. is certified by CCOF and is an operation in	23-23 Borden Ave.	Long Island City	New York	11101	USA	Handling	12/12/2004	
Anima Mundi Herbals (show)	9/11/2017	At the time of posting, Pacific Botanicals is certified by Oregon Tilth and is an operation in good	23-23 Borden Ave.	Long Island City	New York	11101	USA	Crops and Handling	4/1/2017	
Ndudike Import & Export	9/11/2017						Canada	The Manufacture, Processing, Packaging and Exportation of Kabuli Chickpeas .	2/12/2014	
Eskinler Insaat Gida San. Ve Tic. Ltd. Sti	8/31/2017		Ege Serbest Bolge Subesi, Zafer mah.	Gaziemir	Izmir		Turkey	Grape, plum, apricot, cherry orchards	2/15/2014	
Siripak Trading	8/10/2017		Nongtako-Khaopookong Road, Tambon Rangsali,				Thailand	Handling	11/27/2014	
Aphrodite	7/13/2017						Thailand	Handler of Organic Products	10/27/2014	
Dong Duong Export Company	7/13/2017		No 3 Lane 82 Nghia Tan	Cau Giay	Hanoi		Vietnam	Processor: Handler	10/25/2014	

<https://www.ams.usda.gov/services/enforcement/organic/fraudulent-certificates>

Postings of Enforcement Actions

- In June, we initiated posting of enforcement actions on a rolling basis
- Makes AMS Appeal Decisions, NOP Suspensions and Revocations, and NOP Settlement Agreements available to public faster.
- <https://www.ams.usda.gov/services/enforcement/organic/>

A Global Organic Control System



Standards

Accreditation

Certification

Enforcement

Imports Update

- Proposed and Final Adverse Actions of Operations
- Directives to Certifiers
- NOP Certifier Audits: Compliance, Satellite Offices
- Enforcement Collaboration with Federal Partners: Animal and Plant Health Inspection Service (APHIS), Customs and Border Protection (CBP)



Training for Handlers and Certifiers



Multiple Webinars on Complex Supply Chains: For Certifiers and Handlers

The image shows a YouTube video player interface. At the top left is the YouTube logo. A search bar is located at the top center. The video player itself has a green header with the USDA Organic logo. The main content area displays the title "Training for Certified Handlers: Maintaining Organic Integrity in the Supply Chain" in bold black text, followed by the text "U.S. Department of Agriculture (USDA) Agricultural Marketing Service (AMS) National Organic Program (NOP)" in green. Below this is a red banner with the text "Agricultural Marketing Service" and a collage of images including farmers, cabbages, a turkey, and cows. The video progress bar shows 0:02 / 27:28. Below the video player, the text "Organic Integrity in the Supply Chain training video for certifiers and handlers" is visible, along with the USDA AMS logo, a "Subscribe" button with 310 subscribers, and "2,211 views".



New Instruction on Imports

Interim Instruction: Maintaining the Integrity of Organic Imports (NOP 4013) – 10/25/2017

- Regulatory requirements and best practices for certifiers overseeing organic imports.
- Certification and recordkeeping requirements: system plans, audit trails, onsite inspections.
- Certifier responsibilities for review/verification.
- Please comment! See Federal Register Notice.

Next Steps on Imports

- Continued Investigations
- Follow-up on Certifier Directives
- Continue Certifier Audits
- Pursue Projects with Federal Partners
- Advance Standards Initiatives
- Support NOSB Work on Imports
- Advance Technology Initiatives
- Continue Training Initiatives

Core to All Enforcement



**Organic Foods
Production
Act**

**USDA
Organic
Regulations**

**Legally
Defensible
Evidence**

Enforcement Depends on All 3



Organic Integrity Database Update

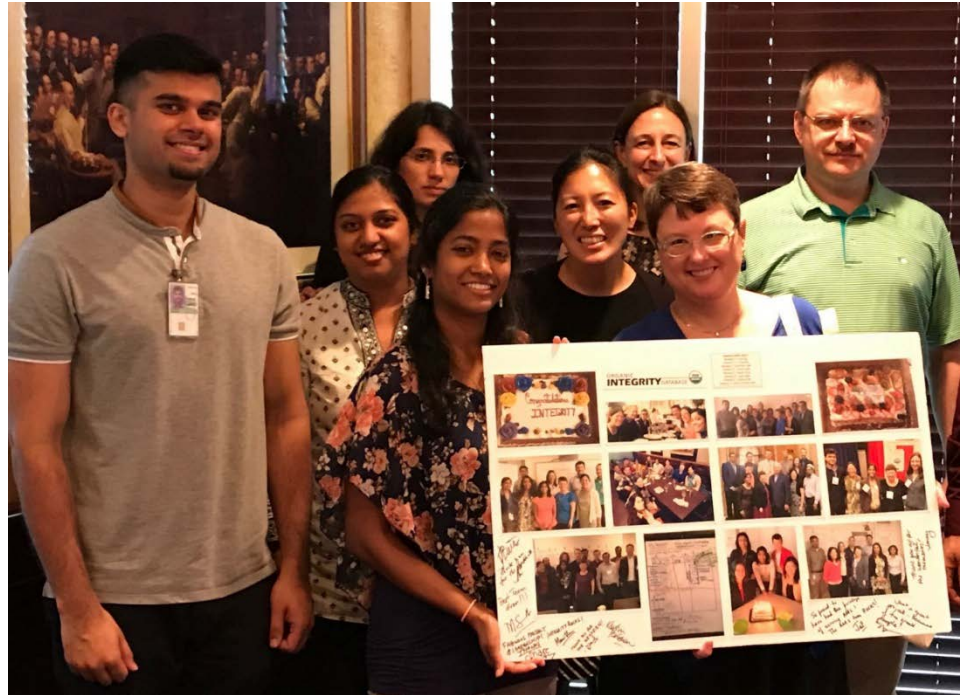
Operation	Certifier	Info	Status	City	State/Province	Country	Certified Products
<input type="text"/>			Certified	Jacksonville	FL-Florida	Enter Country	<input type="text"/>
Dupuy Group LLC	[OTCO] Oregon Tilth Certified Organic		Certified	Jacksonville	Florida	United States of America	HANDLING: Other: Green Coffee Beans
Dupuy Group LLC	[OTCO] Oregon Tilth Certified Organic		Certified	Jacksonville	Florida	United States of America	HANDLING: Other: Storage and Distribution
Dupuy Storage Florida, LLC	[QAI] Quality Assurance International		Certified	Jacksonville	Florida	United States of America	HANDLING: Biodynamic Cane Sugar... More
Fruit Cove Cactus	[QCS] Quality Certification Services		Certified	Jacksonville	Florida	United States of America	CROPS: Other: Fruits, herbs, vegetables
Manifest Distilling Co.	[AI] Americert International		Certified	Jacksonville	Florida	United States of America	HANDLING: Other: Organic: Manifest Distilling Brand Organic Rye Whiskey... More
Publix Super Markets, Inc.	[QCS] Quality Certification Services		Certified	Jacksonville	Florida	United States of America	HANDLING: Other: Vegetables
Raisa, LLC	[QAI] Quality Assurance International		Certified	Jacksonville	Florida	United States of America	HANDLING: Corn Puffs Salty, Onion Flavored Corn Puffs, Spicy Corn Puffs
WWF Operating Company	[QAI] Quality Assurance International		Certified	Jacksonville	Florida	United States of America	HANDLING: Unsweetened Soymilk, Vanilla Soymilk

Welcome to Jacksonville!

8 Certified Operations In Jacksonville | 453 in Florida

INTEGRITY - Development Complete!

- Release 7 Launched
- Development Now Complete
- We are now in “Operations and Maintenance”
- **Many thanks to our Certifier User Group!**



Now, It's All About the Data

- INTEGRITY is a learning curve!
- Success = Data Quantity and Quality
- Key Examples:
 - Reporting of Acreage, Business Types
 - Adoption of Product Taxonomy
- Certifier Data Quality Dashboard:
Will recognize certifiers investing in data

Federal Organic Certificate



**Rhode Island Department of Environmental
Management**

401-222-2781 - matt.green@dem.ri.gov
<http://www.dem.ri.gov/programs/agriculture/orgcert.php>
235 Promenade St.

Providence, RI 02908, USA

certifies that

Arcadian Fields

4015397043

Mailing Address P.O. Box 1273 Hope Valley, RI 02832, USA	Physical Address 94 Blitzkrieg Trail Hope Valley, RI 02832, USA
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is certified to the USDA organic regulations, 7 CFR Part 205, for the categories of
Crops

Once certified, a production or handling operation's organic certification continues in effect until
surrendered, suspended, or revoked. Status of this certification and specific certified organic products
covered may be verified at
<https://organic.ams.usda.gov/Integrity/CP/OPP.aspx?cid=73&nopid=4830200205>

Certifier Client ID:	Not Available
Certificate Number(s):	02-05
NOP Operation ID:	4830200205
Effective Date:	08/20/2002
Anniversary Date:	4/14/2017
Issue Date:	02/10/2017






For addenda to this Organic Certificate, such as certified item lists with additional details and other operation information, contact the Accredited Certifying Agent identified at the top of this Certificate.

A decorative graphic on the left side of the slide consists of three overlapping semi-circles. The outermost semi-circle is dark green, the middle one is a medium blue, and the innermost one is a darker blue. They are arranged in a way that they appear to be nested or overlapping from left to right.

Integrity:
Continue Emphasis on
Data Quantity and Quality

ACCREDIT:
Accreditation System Modernization

International Initiatives:
Certificates, Automated Data
Exchanges, Concepts for Future

Office of Inspector General (OIG) Report



- Published in September 2017
- Includes Audit Process, Findings, and AMS Response

National Organic Program - International Trade Arrangements and Agreements



Audit Report 01601-0001-21

September 2017

OFFICE OF INSPECTOR GENERAL

- USDA's Office of Inspector General (OIG) conducts independent audits and investigations of the Department's programs and operations
- Previous NOP Audits:
 - Program-Wide Audits (2005, 2010)
 - National List Audit (2012 – No Findings)
 - Organic Milk Audits (2012, 2013)

Context for OIG Audit

- **GOAL:** To evaluate AMS' controls over the approval and oversight of NOP's agreements for international trade and the import of organic products

Four OIG Findings

1. AMS' process for determining equivalency between the U.S. organic regulations and foreign countries' standards was not fully transparent.
2. NOP organic import documents were not verified at U.S. ports of entry.
3. Controls over organic products fumigated at U.S. ports of entry were inadequate.
4. Onsite audits for existing agreements were not conducted in a timely manner because AMS has no established requirements for frequency.

Finding 1: Transparency

OIG:

Develop and implement a procedure to document and disclose final resolution of all foreign country organic standards identified as having differences from USDA organic standards.

AMS:

AMS will document and disclose final variances from its side-by-side analysis of organic standards.



Background: Import Documents

REPRODUCE LOCALLY. Include form number and date on all reproductions. FORM APPROVED - OMB NO. 0581-0191

USDA U.S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
NATIONAL ORGANIC PROGRAM

NOP IMPORT CERTIFICATE

A knowingly false entry or false alteration of any entry on this certificate may result in a fine of not more than \$11,000 or imprisonment for not more than five years or both (16 U.S.C. 1007).

ENTRY HEADER - Country of Export Name
1. CERTIFIED TO: ORGANIC STANDARDS

2. CITY AND STATE OF PRODUCT DESTINATION
ENTRY HEADER - Port of Entry Name

3. DATE

4. IMPORT CERTIFICATE NUMBER
PG14

5. EXPORTED BY (NAME AND ADDRESS)
PG19, PG20, PG21
Role Code: EX or EXE

6. PRODUCT EXPORTED
ENTRY HEADER
PG10
PG13 BEST CERTIFIERS INC
PG14 1AM1B002743
PG19 IM RICK SPARKS
PG21 IM JOE BAKER
PG19 CB
PG21 CB

7. RECIPIENT IN THE U.S. (NAME AND ADDRESS)
PG19, PG20, PG21
Role Code: UC

8. CERTIFYING BODY OF FINAL HANDLER
RICK SPARKS INC ORGANIC FRESH BANANAS
ISOHN
3000172016000000040000000LB
RSPARKS@HOTMAIL.NET
JBAKER@BAKERINC.COM

9. TOTAL NET WEIGHT
PG 14

10. TOTAL CONTAINERS
PG26 - UOM=CON

11. PRODUCT AS LABELED
PG10

12. HARMONIZED TARIFF CODE AS APPLICABLE
ENTRY HEADER
HTS Number - Full

13. SHIPPING IDENTIFICATION
ENTRY HEADER, PG25, PG27

14. FINAL HANDLER
PG19, Role Code ORG or ORP

15. CERTIFYING BODY OF FINAL HANDLER
PG13 or PG19 & PG20 with Role Code: OCB

16. REMARKS AND ATTESTATIONS
PG24

I CERTIFY that the agricultural products specified hereon have been certified under an organic certification program that is at least equivalent to the requirements of the Organic Foods Production Act of 1990 (OFPA) (7 U.S.C. Sec. 6501 et seq.) and are therefore deemed by USDA to have been produced and handled in accordance with the OFPA and USDA organic regulations under the National Organic Program 7 CFR part 205.
PG22

17. SIGNATURE OF CERTIFYING BODY

18. DATE PG

No financial liability shall attach to the United States Department of Agriculture or to any officer or representative of the Department with respect to this certificate.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0191. The time required to complete this information collection is estimated to average 30 minutes per person, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 726-6382 (TDD). USDA is an equal opportunity provider and employer.

NOP 2110-1

Finding 2: Import Verification (1 of 3)

OIG:

Execute a Memorandum of Understanding (MOU) between AMS and Customs and Border Protection (CBP) to obtain assistance in reviewing import certificates from countries with established equivalence arrangements at U.S. ports.

AMS:

- AMS supports expanding the MOU with CBP.
- CBP officials have limited capacity and no current authority to review organic imports or NOP import certificates.
- AMS will develop a report outlining how AMS and CBP could collaborate.

Finding 2: Import Verification (2 of 3)

OIG:

Request that CBP update the Automated Commercial Environment (ACE) system message sets to provide CBP officials with instructions for reviewing NOP import certificates at U.S. ports of entry and the actions to take if they are not found.

AMS:

- NOP import certificates are only required from the European Union, Switzerland, Korea, and Japan.
- AMS will request access to additional areas of ACE.
- AMS is submitting organic message set proposals to CBP.

Finding 2: Import Verification (3 of 3)

OIG:

Develop and implement a plan to verify NOP import certificates at U.S. ports of entry, identify fraudulent import certificates, and capture organic import data.

AMS:

- AMS will prepare a needs assessment for an organic verification system that validates organic import certificates, identifies fraudulent certificates and captures data.
- Would create a baseline for future technology development work.

Background: Fumigation

A fruit shipment arrives in Florida

APHIS conducts risk-based inspection of container

APHIS finds pest that could harm Florida orchards

Shipment must be treated (fumigated) to enter Florida

The importer is notified of the requirement

An organic importer has two options:

- Accept fumigation - Sell the fruit, but not as organic
- Re-export shipment to place where pest isn't a risk

Finding 3: Fumigation Controls (1 of 3)

OIG:

Execute an MOU between AMS and APHIS to ensure that APHIS officials notify NOP officials when imported agricultural products are treated with NOP-prohibited substances at U.S. ports.

AMS:

- In January 2017, AMS and APHIS executed an MOU to document collaborative efforts to identify imported organic shipments of agricultural products that are treated for plant pests or are treated as a condition of entry.

Finding 3: Fumigation Controls (2 of 3)

OIG:

Request CBP to update the ACE system message sets to ensure APHIS officials are notified of steps to take when organic agricultural imports are treated with NOP-prohibited substances at U.S. ports.

AMS:

- AMS is working with APHIS to develop mechanisms within the APHIS systems to identify, track, and ensure that treated organic products are not sold, labeled or represented as organic.

Finding 3: Fumigation Controls (3 of 3)

OIG:

Develop and implement a plan for creating and implementing procedures for tracking organic products treated with NOP-prohibited substances at U.S. ports and ensuring those products are not sold, labeled or represented as organic.

AMS:

- AMS and APHIS are establishing procedures to notify importers and certifiers when organic products are treated and can no longer be sold, labeled, or represented as organic.

Finding 4: Timely Audits (1 of 2)

OIG:

Develop and implement performance measurements to collect, analyze, and report to management regarding the timeliness of onsite reviews for foreign countries that maintain a recognition agreement or equivalency arrangement with USDA.

AMS:

- AMS has a system to monitor audit frequency for accredited certifiers. This system will be used to track and report timeliness of onsite reviews AMS conducts with its recognition or equivalence partners.

Finding 4: Timely Audits (2 of 2)

OIG:

Revise NOP Handbook NOP 2100 (Equivalency Determination Procedure) to include the requirement that NOP officials conduct onsite audits of foreign countries that maintain equivalency arrangements with USDA every 2 years.

AMS:

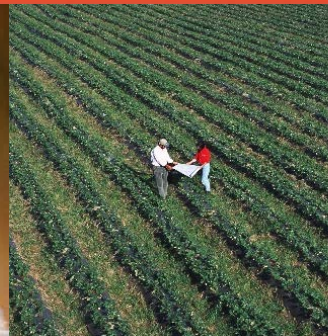
- AMS will revise NOP 2100 to require NOP officials to conduct onsite audits of foreign countries that maintain equivalency arrangements every 2 years.

In Closing ...

- AMS accepted all findings and responded to all recommendations.
- AMS actions will be in place by July 2018.
- **OIG reports have helped AMS shape NOP into the program that it is today – we thank them for their work and feedback.**

ANSI Peer Review of the National Organic Program (NOP)

Agricultural Marketing Service



ANSI Peer Review of NOP: 2017



- Conducted by American National Standards Institute (ANSI) under contract
- Panel of 3 independent auditors
- Process driven by NOSB recommendation, “Memo to NOSB” (11/2014) and “NOP 1031: Peer Review of NOP Accreditation” (In NOP Handbook)
- A vital component of NOP’s continuous improvement

Context for Peer Review

GOAL: NOP actions align with NOP Procedures and ISO/IEC 17011, a quality standard.

- Small program serving a growing industry
- Strong, robust accreditation procedures
- Public and transparent standards
- Skilled pool of auditors; ongoing training
- Annual training to certifiers

ANSI Findings: Overview

Overall, NOP is following its procedures. There were no major non-conformances related to accreditation decisions.

The ANSI audit identified opportunities for NOP to **improve recordkeeping** and **clarify procedures**.

ANSI Findings: Procedures

- NOP corrective actions are not tracked as described in NOP 1020 (corrective action procedure).
- NOP needs to ensure timely implementation of corrective actions before next audit cycle.
- NOP does not have a procedure for determining the number/location of certifier satellite office audits.
- NOP assessments of certifiers occur ever 2-2.5 years (not every 1-2 years as recommended in ISO 17011).

NOP's Corrective Actions: Procedures

- NOP has revised procedures to monitor peer review corrective actions on the NOP operating plan to ensure timely implementation.
- Launch of ACCREDIT and additional staff will help accreditation timeline management and satellite office tracking
- More generally, NOP continues to improve records management:
 - Dedicated quality manager
 - Improving processes and training
 - Updating and retiring procedures

NOP's Corrective Actions: Procedures

- USDA organic regulations require accreditation renewals every 5 years; mid-terms every 2-3 years.
 - NOP will review its accreditation policies/procedures to explore options for more frequent assessments.
 - NOP lacks resources to perform onsite assessments every 1-2 years, per ISO 17011 recommendations.
 - We are reviewing how we could use the Annual Report process for more frequent follow-up.

ANSI Findings: Records

- NOP did not complete the “review” section of accreditation application documents.
- There were some instances of incorrect versions or incomplete records (lack dates or signatures).
- NOP accreditation certificates do not contain the certifier’s full address and do not indicate the current version of 7 CFR Part 205.
- There was an isolated instance of a date discrepancy.

NOP's Corrective Actions: Records

- NOP conducts robust certifier audits: new applicants, mid-terms, and renewals.
- We are refining our application processing approach.
- We have instructed auditors about required signatures on certain forms and will train on this.
- NOP will revise the accreditation certificate template to reference the current USDA organic regulations and include certifier's complete address.
- NOP will review its procedures related to accreditation certificate issue dates.

In Closing ...

- Peer Review is a vital part of our Quality System
- 2018 Peer Review, also with ANSI, will start in Spring
- In the meantime, NOP will:
 - Post ANSI Report and NOP Corrective Actions
 - Advance records management practices
 - Refine accreditation processes
 - Continue launching technology aids
 - Conduct regular training for auditors and certifiers
- Thank you, ANSI and the Audit Team!



United States Department of Agriculture



Agricultural Marketing Service

Creating Opportunities for American Farmers and Businesses

www.ams.usda.gov/nop

