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

Facilitating Market Access...

With more than $39 billion in U.S. sales in 2014, the United States is the largest organic market in the world. For organic consumers, the product volume that represents is still not enough...they want more! Consumer demand for organic products continues to grow throughout the U.S. and across the globe.

Anne Alonzo, the Administrator for the USDA’s Agricultural Marketing Service (AMS), is leading the agency’s efforts to help the organic community meet this growing consumer demand. Administrator Alonzo continues to implement programs that both protect the integrity of the organic seal and uphold USDA’s commitment to connect farmers and businesses with critical resources to aid in the sector’s continued growth. AMS administers the organic certification cost share programs, which offset the costs of organic certification for U.S. producers and handlers in all 50 states. Other AMS programs like the Federal-State Marketing Improvement Program, Specialty Crop Block Grant Program, and Farmers Market and Local Food Promotion Program also help facilitate the competitive and efficient marketing of agricultural products.

Through the National Organic Program (NOP), AMS supports organic farms and businesses through sound and sensible organic certification, educational outreach programs, and international trade arrangements. International trade agreements have proven to be a valuable tool for rapidly expanding the organic market.

Since the beginning of the Obama Administration, the United States has signed five organic equivalency arrangements with Canada (2009), the European Union (2012), Japan (2014), Korea (2014), and most recently with Switzerland (2015). Our arrangements offer U.S. organic farmers and businesses streamlined access to over $35 billion in international organic markets. When combined with the $39 billion U.S. organic market, these arrangements have doubled organic market access for U.S. organic farmers and businesses.

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The recent organic equivalency arrangement with Switzerland streamlines organic trade. It strengthens organic agriculture, benefits the growing organic community, and supports jobs and businesses on a global scale. Since July 10, 2015, organic products certified in the United States or Switzerland can now be sold as organic in either country. The two countries entered into the equivalency arrangement during a signing ceremony held on July 9, 2015 in Washington, DC at the USDA headquarters.

During the ceremony, formal letters establishing the arrangement were signed by Johann N. Schneider-Ammann, Federal Councillor, Switzerland; Krysta Harden, Deputy Secretary, United States Department of Agriculture (USDA); and Darci Vetter, Chief Agricultural Negotiator, Office of the United States Trade Representative (USTR).

“This new partnership reflects the integrity of the National Organic Program and USDA’s rigorous organic standards,” said AMS Administrator Anne Alonzo. “We look forward to providing Swiss consumers with more U.S. organic products and being able to enjoy organic Swiss products.”

Similar to previous U.S. organic equivalency arrangements with Canada, Japan, Korea and the European Union, this arrangement reflects the strength of the USDA organic standards and eliminates significant trade barriers, especially for small and medium-sized organic businesses. Without this equivalency arrangement in place, organic growers, processors and businesses wanting to sell organic products in either country would have to obtain separate certifications to meet each country’s organic standards. This typically means two sets of fees, inspections, and paperwork.

The arrangement will facilitate increased exports of U.S. organic products to Switzerland, which is important because on average, Swiss residents consume more organic food than any other country. According to Bio Suisse, the umbrella organization representing the Swiss organic sector, organic retail sales in 2013 in Switzerland jumped 12 percent from the previous year, reaching almost $2 billion. The arrangement with Switzerland will also allow USDA certified food processors to source Swiss organic ingredients, which will help facilitate trade between the United States, Switzerland and the European Union.

Protecting the integrity of the organic seal is a key part of the trade arrangement review and negotiation process. Leading up to the arrangement, the United States and Switzerland conducted thorough on-site audits to ensure that their programs’ regulations, quality control measures, certification requirements, and labeling practices were compatible.
Both parties determined that their programs were equivalent with the exception that Swiss livestock products or any ingredients must be derived from animals not treated with antibiotics.

The United States and Switzerland are committed to ensuring that all traded organic products meet the terms of the arrangement, and will review each other’s programs periodically to verify that the terms of the arrangement are being met.

Organic equivalency arrangements, and other similar trade agreements, provide additional market opportunities for the USDA organic community. Organic consumers, farmers, and businesses all benefit from the increased market opportunities and broader range of organic products available throughout the year. AMS and the NOP will continue to offer resources that help to level the playing field and expand opportunities for the entire organic community.

For more information about our international trade partners, visit http://www.ams.usda.gov/services/organic-certification/international-trade.

Sincerely,
Miles V. McEvoy
NOP Deputy Administrator
On July 17th, the USDA’s Agricultural Marketing Service’s Fruit and Vegetable Program (FVP) hosted a webinar entitled “Fruit and Vegetable Market News Organic Reporting.” This presentation was the first in a series of monthly webinars that will feature the services provided by different divisions of FVP.

Kimberly Mercer, Assistant to the Director of Fruit and Vegetable Market News, gave a basic overview of Market News’ history and mission before focusing more specifically on the benefits to the organics industry that Market News provides, along with a demonstration of the Fruit and Vegetable Market News Portal’s search functions. Over 250 participants attended the webinar from across the spectrum of the organic produce industry, with the formal presentation followed by a lively question-and-answer session.

Covering and reporting the growing market for organic products has been a key focus of Market News for a number of years, due to the tremendous growth in the sector. While Fruit and Vegetable Market News has been tracking and reporting organic prices for over 20 years, a recent survey of organic producers showed that 82% of respondents were either unaware that Market News provides specialized information products and services to the industry, or did not currently use them.

In fact, Market News tracks and reports nearly 160 organic commodities at various levels in the marketplace, including retail, wholesale, and shipping point or point of entry for imports. Additionally, Market News tracks movement for many markets and products, including domestic shipments, crossings from Mexico and imports.

Organic data are published in all standard Market News reports, and are also highlighted in specialized reports such as the National Fruit and Vegetable Organic Summary. With a wealth of information currently available and an ongoing effort to grow the coverage provided by Market News, it is important that Market News actively reach out to the organic sector. Organic producers, handlers, and other interested parties have access to and will benefit from knowing more about the information products, tools, and market reports that AMS Market News produces and how best to use them.

One goal of this webinar, and of the other outreach efforts to the industry, is to improve knowledge and use of the timely, reliable, and unbiased information provided by Market News. Such knowledge in the hands of marketers helps to level the playing field and improve the ability of organic producers and marketers to Compete Smarter in the marketplace. A recording of this webinar is available online at: http://bit.ly/AMSFV-OrganicReporting.

Compliance and Enforcement Updates

From October 1, 2014 – July 31, 2015, the Compliance and Enforcement Division of the National Organic Program:

- Completed 266 complaint reviews or investigations
- Took 188 initial enforcement actions, including:
  - 22 Notices to Cease & Desist;
  - 76 Notices of Warning; and
  - 45 referrals to certifying agents, state programs, and foreign governments
Hydroponic and Aquaponic Task Force

The National Organic Program (NOP) is appointing a task force that will report to the National Organic Standards Board (NOSB) to examine hydroponic and aquaponic production and its alignment with the USDA organic regulations and the Organic Foods Production Act (OFPA). Hydroponics is a method of growing plants using mineral nutrient solutions, in water, with little or no soil. Plants may be grown with their roots in the mineral nutrient solution only or in an inert medium, such as perlite, gravel, biochar, or coconut husk. Aquaponics combines the features of hydroponics and aquaculture. In these systems, the metabolic waste from fish tanks provides a source of nutrients for vegetables grown hydroponically.

Some organic farms are utilizing hydroponic and aquaponic growing methods to produce organic crops under the USDA organic regulations. Yet, the USDA organic regulations do not specifically address this type of production. The Hydroponic and Aquaponic Task Force is a first step toward addressing the need for a clear policy on this issue. The task force will provide the NOSB with the technical information that it needs to develop comprehensive recommendations regarding hydroponic and aquaponic production.

The task force is expected to begin work in October 2015 and submit their final report to the NOSB in October 2016.

Selected from nominations to the NOP, the task force includes 16 members. Appointees are diversely qualified experts with deep technical knowledge of hydroponic, aquaponic and organic production. They represent a range of stakeholder groups including producers, researchers/scientists, consumer representatives, conservationists, systems designers, and organic certifying agents.

The appointed members are Will Allen, Milwaukee, WI; Colin Archipley, Escondido, CA; John Biernbaum, Ph.D., East Lansing, MI; Angela Caporelli, Frankfort, KY; Dave Chapman, East Thetford, VT; Marianne Cufone J.D., New Orleans, LA; Amy Lamendella, Santa Cruz, CA; Richard Shultz, San Marcos, TX; Eric Sideman, PhD., Strafford, NH; Pierre Sleiman, Encinitas, CA; Stacy Tollefson, Ph.D., Tucson, AZ; Jose Edgardo Torres, Sahuarita, AZ; Jessica Vaughan, Freedom, CA; Jeffry Evard, Plainfield, IN; Sam Welsch, Lincoln, NE; and Theresa Lam, East Brunswick, NJ.

For more information, visit http://www.ams.usda.gov/rules-regulations/organic/nosb/task-forces.
Understanding the NOP Appeal System: The Importance of Due Process

By Richard Siegel

NOP’s Note: This article is an abridged version of an article that first appeared the Accredited Certifier Association’s (ACA) Guidewire Newsletter. It was reused with permission. The author is an attorney in Washington D.C.

In the Organic Foods Production Act (OFPA), Congress directed the Secretary of Agriculture to “establish an expedited administrative appeals procedure under which persons may appeal an action of the Secretary, the applicable governing State official, or a certifying agent.”

This article explains the appeal process with its multiple levels of appeal, so that operators and certifiers will gain a better understanding of it, and therefore appreciate its tremendous value to them.

**Appeal Process Has Two Stages: “Informal” and “Formal”**

The administrative appeal process under the NOP starts with an “informal” stage and later, if the appeal has not been resolved in the “informal” stage, there can be a “formal administrative proceeding.”

The “informal” stage of the appeal process is tailored to the particular nature of the organic program, in which certifiers work day to day with their clients to improve their overall organic compliance. The “informal” stage is designed to let certifiers and operators settle disputes easily without legal technicalities.

At the initial stage, after the certifier has sent the operator a “notice of noncompliance,” the “noncompliance” can be resolved, or if the operator does not agree that a “noncompliance” has occurred, the operator has the opportunity to rebut the “noncompliance” by contacting the certifier directly. Similarly, when the NOP issues a notice of noncompliance to an accredited certifying agent, the certifier has the right to rebut the noncompliance. This is due process at work in the initial step of the informal appeal process.

If the noncompliance is not resolved between the parties, the next stage is for the certifier to issue a notice of proposed suspension or revocation to the operator. Under § 205.662(c), the operator has the right either to request mediation under § 205.663 or to submit an appeal to the AMS Administrator under § 205.681. The deadline for an appeal or a mediation request is 30 days in either case. If the certifier does not agree to mediation, or if the mediation does not result in an agreement, then the operator may then, within 30 days, appeal the original adverse action after all.

If an accredited certifier receives a notice of proposed suspension or revocation from the NOP, mediation is not available, but the certifier has 30 days to submit an appeal. § 205.665(c). In certain cases, outlined in § 205.660(b), the NOP itself, rather than a certifier, might issue the notice of proposed suspension or revocation to an operator. There is no provision for mediation between the operator and the NOP, but there is the right of appeal within 30 days. § 205.680(a).

When an operator or certifier files an appeal with the AMS Administrator, the appeal must include “a statement of the appellant’s reasons for believing that the decision was not proper or made in accordance with applicable program regulations, policies, or procedures.” 7 CFR § 205.681(d) (3). This involves a full statement of the facts and reference to the NOP regulations, policies and procedures.

**What Happens to Appeals to the AMS Administrator?**

There are four different ways in which the NOP Appeals Team disposes of an appeal.

1. When an appeal is not filed on time, it is dismissed.
2. Sometimes when an appeal is filed, the matter is separately resolved, or the adverse action is withdrawn, or a different action results in the operator being suspended or reinstated. Then it is possible to close out the appeal without a decision by the AMS Administrator.
3. Increasingly in recent years the NOP tries to reach a settlement on the merits with the appellant before the AMS Administrator rules on the appeal. The appellant agrees to take certain actions and this resolves the adverse action without waiting for an official ruling by the AMS Administrator.
4. Finally, when an appeal is not dealt with using steps (1), (2) or (3), the appeal will go before the AMS Administrator for an actual ruling on the merits.

A relatively small number of appeals that are filed go all the way to a ruling by the AMS Administrator on their merits.

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Understanding the NOP Appeal System: The Importance of Due Process, cont’d

The “Formal” Stage of the Appeal Process

After the Administrator has denied an appeal on the merits, if an appellant wants to keep challenging their suspension or revocation, the appeal process allows additional opportunities beyond the “informal” stage in the AMS. The “formal” stage of the appeal process can then begin.

The “formal” stage exists because, as the Final Rule provides, the suspension, revocation or denial does not become effective automatically after the AMS Administrator rules to deny an appeal. This further step is to give the appellant the opportunity for a formal judicial proceeding inside the USDA which the appellant can introduce evidence, call witnesses, and make arguments in his or her defense. The appellant can voluntarily waive this right to a formal judicial hearing.

Of course, it is possible to have a settlement of an appeal at any time. Settlements can even occur, as lawyers like to say, figuratively if not literally, “on the courthouse steps.” There is still a window of time between the date of the AMS Administrator’s decision and the date the NOP actually files the formal complaint.

Even after the NOP files the formal administrative complaint, it is still not too late for a settlement prior to the actual ALJ hearing. By that time the case is under the jurisdiction of the Administrative Law Judge, so after the NOP and the appellant reach a settlement, the ALJ must issue a Consent Decision to recognize the settlement.

NOP Is Acting to Cut the Appeal Backlog

Since Miles McEvoy became AMS Deputy Administrator for the National Organic Program in 2009, he has made it a priority to reduce the appeal backlog and shorten the time that it takes to process an appeal. Under his leadership the NOP has succeeded in shortening the appeal time without eliminating any due process steps from the appeal process.

When he took over the program in 2009, he found that the time to process an appeal was 698 days. By FY 2011, it had gone down to 256 days. In 2012 it was 294 days but in 2013 it was down to 154 days. In the Organic Integrity Quarterly for November 2014, the NOP reported that in 2014 the average period to process an appeal was only 140 days.

These shorter times are a direct result of reducing the appeal backlog time is to reduce the sheer number of appeals which the NOP Appeals Team and the Administrator need to process to completion with a full appeal decision.

The NOP’s single most critical tool for reducing the appeal backlog has been to analyze the pending appeals and then settle many of them before the AMS Administrator has to rule on them. From FY 2007 through FY 2009, the NOP settled only seven appeal cases before a ruling by the Administrator, an average of 2-3 a year. From FY 2010 through FY 2014, NOP settled a total of 32 appeals before they came up for a ruling by the AMS Administrator, an average of 6 a year.

There is a great potential to have certifying agents take charge of more settlements themselves by intervening and having mediation or offering a settlement before an appeal is even filed. On January 16, 2013, the NOP held a “Mediation Training” session for certifiers. It told certifiers that both “informal settlement” and “formal mediation” were “paths to dispute resolution.”

On February 19, 2014, the NOP held another training session for certifiers on “Mediation and Settlement Agreements” in the NOP Appeals Process. This training encouraged certifiers to mediate or settle disputes informally with operators so that these disputes would not result in filing of new appeals to the AMS Administrator.

In its most recent training session for certifiers, on February 10, 2015, the NOP continued to urge certifiers to settle cases informally. As more certifiers take this approach, this should also help reduce the backlog of appeal cases awaiting action by the AMS Administrator.

The NOP sets the tone by settling so many cases after appeals have been filed. This encourages certifiers to take control of disputes with their clients and work out these disputes so that they do not even ripen into appeals.

Because it is so critical for the NOP to manage the backlog of appeals, and also crucial that the NOP continue to provide full due process protection for operators and certifying agents, the NOP’s recent emphasis on settling appeal cases strikes the right balance. Settling appeal cases to remove them from the backlog is a far more constructive way to deal with the appeals backlog than to “streamline” the existing appeals process, if “streamlining” means the NOP would be weakening due process protection.
How to File a Complaint about Violations of the Organic Standards

The USDA organic regulations describe the standards that farmers and processors must meet to produce, process and market organic agricultural products. These standards include restrictions about the use of certain practices and substances during production and handling, as well as recordkeeping and labeling requirements. Ensuring compliance with these regulations preserves the integrity of the USDA organic label. More information on the USDA Organic Standards is available at http://1.usa.gov/1H MhBUg.

To assure consumers that organic products meet consistent standards and to create a level playing field for certified organic producers and processors, the NOP investigates complaints alleging violation of the USDA organic regulations and carries out enforcement actions.

How Does the Complaint Process Work?

After the National Organic Program (NOP) receives a complaint, it reviews the complaint and any evidence provided to determine if investigation is warranted. If this initial review finds there is sufficient evidence that the USDA organic regulations have been violated, the NOP opens an investigation.

The NOP Compliance and Enforcement Division investigates alleged violations by uncertified operations. The NOP typically requests certifiers to investigate alleged violations of certified operations and to report findings back to the NOP. Similarly, the NOP refers complaints concerning operations in California to the California State Organic Program and complaints concerning operations in countries that have agreements with the NOP to those countries’ organic governing bodies.

Operations that knowingly violate the USDA organic regulations can face penalties of up to $11,000 per violation. Certified operations that violate the USDA organic regulations may receive Notices of Noncompliance or proposals to suspend or revoke their organic certification.

What Are Some Examples of Violations?

- Use of organic claims or the USDA organic seal by uncertified operations on product labeling and in market information, such as webpages
- Presence of prohibited pesticides or other prohibited substances in agricultural products sold, labeled or represented as organic
- Use of uncertified co-packers or other handlers in the processing of agricultural products to be sold, labeled or represented as organic
- Use of fraudulent organic certificates to market or sell agricultural products

How Do I File a Complaint?

If you suspect that an operation is violating USDA Organic Standards, you may file a complaint in the following ways:

Email: NOPCompliance@ams.usda.gov (preferred)
Phone: 202-720-3252
Fax: 202-205-7808
Mail: USDA Agricultural Marketing Service
      NOP Compliance and Enforcement Branch
      1400 Independence Avenue SW
      Room 2648-S; Stop 0268
      Washington, DC 20250-0268

When filing a complaint, please provide as much information as possible about the product or operation. Useful information includes:

- Brand name
- Manufacturer or distributor
- Certifying agent, if applicable
- Product lot numbers or other identifying information
- Explanation of the alleged violation
- Actual product package or copy of the product label

If you are willing to discuss the issue further or wish to be notified when the case is closed, please include your name and contact information with your complaint.
The NOP is pleased to welcome new team members to the Office of the Deputy Administrator, the Standards Division, and the Compliance and Enforcement Division.

**Vella Kay Holmes**
Kay joined the NOP team in July as the Assistant Director of the Compliance and Enforcement Division. Kay was previously with the USDA Food Safety and Inspection Service for almost 29 years where, most recently, she served as the Branch Chief for the Criminal Enforcement Branch of the Evaluation and Enforcement Division. Kay has extensive technical expertise in complex enforcement actions seeking criminal and/or civil sanctions for violations of statutes and regulations. She has a proven record of obtaining outstanding outcomes in high profile cases, and also has many years of supervisory experience.

**Paul Lewis, Ph.D.**
Dr. Lewis joined the NOP team in June as the Director of the Standards Division. Dr. Lewis has over 20 years of Federal experience focusing on regulatory and policy topics addressing chemical safety and agricultural issues. Previously, Dr. Lewis managed a staff at the United States Environmental Protection Agency (EPA) developing regulations seeking health and safety data to evaluate the risks of commercial chemicals. Other experiences at EPA included assessing and managing the risks and benefits of pesticides and directing a Federal advisory committee providing recommendations related to the scientific and ethical issues of Agency conducted, supported or regulated research with human subjects.

While at the National Institutes of Health, Dr. Lewis managed staff in providing support to a Federal advisory committee offering advice on and guidance addressing biosecurity considerations of life science research. Dr. Lewis earned a Ph.D. in Environmental Science from George Mason University, a Master of Public Administration from The George Washington University, a Master of Science in Plant Pathology from Oklahoma State University, and a Bachelor of Science in Plant Science from the University of Rhode Island.

**Stacy Swartwood**
Stacy joined the NOP team in May as a Business/Program Analyst in the Office of the Deputy Administrator. Most recently, she worked with the USDA Natural Resources Conservation Service where she developed and implemented program improvement recommendations for grants. Prior, she was a Biologist for the US EPA working on sustainable redevelopment of contaminated properties and grantee reporting systems. Jessica holds a bachelor’s in Biology from the University of North Carolina, Chapel Hill and a graduate degree in Marine, Estuarine, and Environmental Science from the University of Maryland, College Park.

**Sonya D. Wilson**
Sonya, the new Communications Specialist, is coming to AMS from the United States International Trade Commission, where she served as a Visual Information Specialist since 2010. Before that, she held communications related positions in the private sector. Sonya started her career as a science teacher in the Baltimore County public school system, and also did some early work as a regulatory inspector for Maryland Occupational Safety & Health. She holds a B.A. in Chemistry from the University of Maryland, and a Masters in Publication Design from the University of Baltimore.

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**Upcoming NOSB Meetings**
NOSB meetings, held twice a year, are an important forum for public comment, and support transparency in the organic standards development process. Visit [www.ams.usda.gov/nosb](http://www.ams.usda.gov/nosb) to learn more about upcoming meetings.

**Fall 2015:**
October 26 - 29, 2015 | 9:00 am to 6:00 pm daily
Stoweflake Conference Center | 1746 Mountain Road, Stowe, Vermont 05672

**Spring 2016:**
April 25 – 28, 2016
Washington, DC
Program Handbook. The National Organic Program Handbook provides a wide variety of policy materials and other resources to help organic farms and businesses comply with the USDA organic regulations. In the past several months, AMS has updated several of these resources, available at [www.ams.usda.gov/NOPProgramHandbook](http://www.ams.usda.gov/NOPProgramHandbook).

**National List Sunset Dates (NOP 5611, updated).** On August 27, 2015, NOP published an updated National List Sunset Dates document (replacing the November 13, 2014 version). The update reflects new sunset dates for several materials on the National List resulting from the renewal of these materials under the 2015 sunset review process.

**Handbook Table of Contents (updated).** On July 8, 2015, we published a revised Handbook Table of Contents. We consolidated related documents to reduce duplication and improve readability; added “Section H. Notices to Certifying Agents” to integrate key correspondence with certifiers; and moved a few documents to better align with section headers.

**Certifying Agent Acronyms for TM-11 Export Certificates (NOP 2403, updated).** This summer, we issued an updated list certifying agents authorized to issue TM-11 organic export certificates to Taiwan and Japan and the agents’ assigned acronyms for use on the export certificates. When exported to Japan and Taiwan, USDA organic products must be accompanied by an organic export certificate (TM-11). The TM-11 verifies that the product complies with the terms of the trade partnership.

**New AMS Website.** AMS launched a new website for all its programs in early August 2015. The website features a new task-oriented information structure, integrated design, and updated technology. Links created prior to the launch have been redirected, updated, or are no longer available. Check out the new site at [www.ams.usda.gov](http://www.ams.usda.gov).

**New Web Page on Switzerland Organic Equivalency Trade Arrangement.** The United States has trade arrangements with several nations to facilitate the exchange of organic products. These arrangements provide additional market opportunities for USDA organic producers. AMS created a new web page to provide more information about the most recent trade arrangement established between the U.S. and Switzerland. To learn more, visit: [http://www.ams.usda.gov/services/organic-certification/international-trade/Switzerland](http://www.ams.usda.gov/services/organic-certification/international-trade/Switzerland).

**Fact Sheets.** In June 2015, AMS reviewed all of its existing fact sheets. We updated two of the existing fact sheets, and created and published three new fact sheets. They included:

**New fact sheets**
- About the National Organic Program
- About the National Organic Standards Board
- How to File a Complaint About Violations of the Organic Standards

**Updated fact sheets**
- Organic Labeling at Farmers Markets
- The Organic Certification Cost Share Program

To view these and all other NOP fact sheets, visit the publications section of the AMS website at [http://www.ams.usda.gov/publications/Fact_Sheets](http://www.ams.usda.gov/publications/Fact_Sheets) and select the National Organic Program from the filter options.